

THIS IS A SOLICITATION OF VOTES TO ACCEPT OR REJECT THE PLAN IN ACCORDANCE WITH SECTION 1125 AND WITHIN THE MEANING OF SECTION 1126 OF THE BANKRUPTCY CODE. THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT. THIS DISCLOSURE STATEMENT MAY BE SUBMITTED TO THE BANKRUPTCY COURT FOR APPROVAL FOLLOWING SOLICITATION AND THE DEBTORS' FILING FOR RELIEF UNDER CHAPTER 11 OF THE BANKRUPTCY CODE. THE DEBTORS RESERVE THE RIGHT TO AMEND, SUPPLEMENT OR OTHERWISE MODIFY THIS DISCLOSURE STATEMENT PRIOR AND UP TO THE DISCLOSURE STATEMENT HEARING.

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

In re:) Chapter 11
)
TPO HESS HOLDINGS, INC. *et al.*,¹) Case No. 13-____(____)
Debtors.) (Joint Administration Pending)
)
)

DISCLOSURE STATEMENT FOR DEBTORS' JOINT PLAN OF LIQUIDATION

Dated: May 18, 2013

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¹ The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are TPO Hess Holdings, Inc. (8243), TPO Hess Intermediate Holdings I, Inc. (8295), TPO Hess Intermediate Holdings II, Inc. (8364), The Press of Ohio, Inc. (3273), The D.B. Hess Company (7313), DBH Associates – Ohio Limited Partnership (2683), and DBH Associates – Illinois L.P. (8880). The address of the Debtors' corporate headquarters is 3765 Sunnybrook Road, Brimfield, Ohio 44240.

PLEASE REVIEW THIS DOCUMENT FOR IMPORTANT INFORMATION REGARDING:

- * Description of the Debtors**
- * Classification and Treatment of Claims and Interests**
- * Distribution to Holders of Allowed Claims**
- * Implementation and Execution of the Plan**
- * Treatment of Contracts and Leases**
- * Deadlines for Submitting Administrative Expense Claims, Priority Tax Claims, Other Priority Claims and Secured Claims**

YOUR BALLOT IS INCLUDED IN THE PACKAGE WITH THIS DOCUMENT. PLEASE REVIEW THIS DOCUMENT AND COMPLETE AND RETURN THE BALLOT PER THE INSTRUCTION CONTAINED THEREIN.

BALLOTS MUST BE SUBMITTED BY MAY 21, 2013 AT 1:00 PM (ET)

If you have any questions regarding the Ballot, the voting instructions, the procedures for voting, or need to obtain additional solicitation materials, please contact Epiq Systems at (646) 282-2500 or tabulation@epiqsystems.com.

1. **INTRODUCTION.**

1.1. **Purpose of the Disclosure Statement.**

This disclosure statement (as amended, modified or supplemented, the “**Disclosure Statement**”) is being provided to the Holders¹ of Claims in the Voting Class by TPO Hess Holdings, Inc. and its affiliates who may commence cases under chapter 11 of the Bankruptcy Code for the purpose of soliciting acceptances of the Debtors’ Joint Plan of Liquidation pursuant to Section 1125(b) of the Bankruptcy Code. The summaries of the Plan contained herein shall not be relied upon for any purpose other than to make a judgment with respect to, and determine how to vote on, the Plan. A copy of the Plan is attached hereto as **Exhibit A.**

PLEASE NOTE THAT MUCH OF THE INFORMATION CONTAINED HEREIN HAS BEEN TAKEN, IN WHOLE OR IN PART, FROM INFORMATION CONTAINED IN THE DEBTORS’ BOOKS AND RECORDS. STATEMENTS MADE IN THE DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN, ALTHOUGH THE DEBTORS HAVE ATTEMPTED TO BE ACCURATE IN ALL MATERIAL RESPECTS, THE DEBTORS ARE UNABLE TO WARRANT OR REPRESENT THAT ALL OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS WITHOUT ERROR. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE HEREOF, AND THERE CAN BE NO ASSURANCE THAT THE STATEMENTS CONTAINED HEREIN WILL BE CORRECT AT ANY TIME AFTER THE DATE HEREOF.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND RULE 3016(c) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE AND NOT IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER RULES GOVERNING DISCLOSURE OUTSIDE THE CONTEXT OF CHAPTER 11. THIS DISCLOSURE STATEMENT HAS NEITHER BEEN APPROVED NOR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION PASSED UPON ITS ACCURACY.

THE DEBTORS ARE NOT RESPONSIBLE FOR ANY INFORMATION, REPRESENTATION OR INDUCEMENT MADE TO OBTAIN YOUR ACCEPTANCE, WHICH IS OTHER THAN, OR INCONSISTENT WITH, INFORMATION CONTAINED HEREIN AND IN THE PLAN.

YOU ARE STRONGLY URGED TO CONSULT WITH YOUR FINANCIAL, LEGAL AND TAX ADVISORS TO UNDERSTAND FULLY THE PLAN AND DISCLOSURE STATEMENT. THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS GIVEN AS OF THE DATE HEREOF, UNLESS OTHERWISE SPECIFIED. THE DELIVERY OF THIS DISCLOSURE STATEMENT DOES NOT, UNDER ANY

¹ All capitalized terms used within this Disclosure Statement which are not defined herein or in section 1.2 of the Disclosure Statement shall have the meaning set forth in the attached Plan.

CIRCUMSTANCE, IMPLY THAT THERE HAS BEEN NO CHANGE IN THE FACTS SET FORTH HEREIN SINCE SUCH DATE. THIS DISCLOSURE STATEMENT IS INTENDED, AMONG OTHER THINGS, TO SUMMARIZE THE PLAN AND MUST BE READ IN CONJUNCTION WITH THE PLAN AND ITS EXHIBITS, IF ANY. IF ANY CONFLICTS EXIST BETWEEN THE PLAN AND DISCLOSURE STATEMENT, THE TERMS OF THE PLAN SHALL CONTROL.

1.2. **Definitions.**

Unless the context otherwise requires or a term is defined within the Plan itself, the following terms shall have the respective meanings set forth below, except as expressly provided otherwise.

1.2.1. **Administrative Expense Claim:** Any cost or expense of administration of the Cases allowed by the Bankruptcy Court pursuant to Section 503(b) of the Bankruptcy Code, excluding Professional Fee Claims.

1.2.2. **Allowed Claim:** With reference to any Claim or Administrative Expense Claim against the Debtors: (i) any Claim that has been listed by the Debtors in their respective Schedules, as such Schedules have been or may be amended by the Debtors from time to time in accordance with Bankruptcy Rule 1009, as liquidated in amount and not disputed or contingent and for which no contrary proof of claim has been filed; provided, however, that any such Claim listed in the Schedules that has been paid by the Debtors after the Petition Date pursuant to an order of the Bankruptcy Court shall not be considered an Allowed Claim; (ii) any Claim or Administrative Expense Claim allowed pursuant to the Plan; (iii) any Claim or Administrative Expense Claim that is compromised, settled, or otherwise resolved pursuant to the authority granted to the Debtors pursuant to a Final Order of the Bankruptcy Court or under the Plan; or (iv) any Claim or Administrative Expense Claim that has been Allowed by Final Order. Claims allowed solely for the purpose of voting to accept or reject the Plan pursuant to an order of the Bankruptcy Court shall not be considered "Allowed Claims" hereunder. Unless otherwise specified herein or by order of the Bankruptcy Court, "Allowed Administrative Expense Claim" or "Allowed Claim" shall not, for any purpose under the Plan, include interest on such Administrative Expense Claim or Claim from and after the Petition Date. Any Distribution to the Holder of an Allowed Claim under this Plan shall be net of any setoff amount of any Cause of Action that may be asserted by any Debtor against the Holder of such Claim.

1.2.3. **Angelo Gordon:** Collectively, AGNL Hess Illinois, L.L.C. and AGNL Hess Ohio L.L.C., as landlords under those certain lease agreements, each dated as of September 21, 2006, with certain of the Debtors party thereto.

1.2.4. **Assets:** Any and all right, title, and interest of any of the Debtors in and to property of whatever type or nature.

1.2.5. **Asset Purchase Agreement:** The asset purchase agreement dated as of May 17, 2013, by and among the Purchaser, on the one hand, and the Debtors, on the other hand.

1.2.6. **Assumed Liabilities:** Those certain liabilities of the Debtors assumed in the Sale Transaction.

1.2.7. **Avoidance Actions:** Any and all Causes of Action of each Debtor and its estate to avoid or recover a transfer of property of any of the Debtors' estates or an interest of any of the Debtors in property, including, without limitation, actions arising under (i) sections 105, 502(d), 510, 542 through 551, and 553 of the Bankruptcy Code or (ii) any other applicable similar state or federal law concerning the avoidance of fraudulent transfers, fraudulent conveyances, preferential transfers, or prohibited distributions, in each case, whether or not litigation has been commenced with respect to such Causes of Action as of the Effective Date, except those Avoidance Actions previously waived by the Debtors pursuant to any Final Order or purchased in the Sale Transaction.

1.2.8. **Balloting Agent:** Epiq Bankruptcy Solutions, LLC, or such other entity determined by the Debtors.

1.2.9. **Bankruptcy Code:** Title 11 of the United States Code, as in effect on the Petition Date and as thereafter amended, if such amendments are made applicable to the Cases.

1.2.10. **Bankruptcy Court:** The United States Bankruptcy Court for the District of Delaware, or in the event such court ceases to exercise jurisdiction over any Case, such court or adjunct thereof that exercises jurisdiction over such Case in lieu of the United States Bankruptcy Court for the District of Delaware.

1.2.11. **Bankruptcy Rules:** The Federal Rules of Bankruptcy Procedure pursuant to Title 28 of the United States Code, 28 U.S.C. §§ 2075, as they have been or may hereafter be amended.

1.2.12. **Bar Date:** Any deadline for filing proofs of Claim and administrative expense request forms against a Debtor, as established by an order of the Bankruptcy Court.

1.2.13. **Business Day:** Any day except a Saturday, Sunday or any day on which commercial banks in the State of Delaware or the State of New York are authorized or required by applicable law to close.

1.2.14. **Case(s):** With respect to each Debtor, the Chapter 11 case initiated by such Debtor's Filing on the Petition Date of a voluntary petition for relief in the Bankruptcy Court under Chapter 11 of the Bankruptcy Code (collectively, the "**Cases**").

1.2.15. **Cash:** Legal tender of the United States of America and equivalents thereof.

1.2.16. **Causes of Action:** Without limitation, any and all actions, Causes of Action, Avoidance Actions, controversies, liabilities, obligations, rights, suits, damages, judgments, Claims, and demands whatsoever owned by any of the Debtors, whether known or unknown, reduced to judgment, liquidated or unliquidated, fixed or contingent, matured or unmatured, disputed or undisputed, secured or unsecured, whether assertable directly, indirectly, derivatively or in any representative or other capacity, existing or hereafter arising, in law, equity, or otherwise, based in whole or in part upon any act, failure to act, error, omission, transaction, occurrence or other event arising or occurring prior to the Petition Date or during the course of the Cases, including through the Effective Date.

1.2.17. **Chief Liquidating Officer:** Matt Pascucci, a Managing Director of Deloitte Financial Advisory Services LLP.

1.2.18. **Claim:** A claim, as defined in section 101(5) of the Bankruptcy Code, against one of the Debtors (or all or some of them) whether or not asserted or Allowed.

1.2.19. **Class:** A category of Claims or Interests designated pursuant to the Plan.

1.2.20. **Class... Claim/Interest:** The specific Class into which Allowed Claims or Allowed Interests are classified pursuant to the Plan.

1.2.21. **Class 4 Effective Date Payment Amount:** (i) \$1,500,000 plus (ii) after giving effect to a reserve of \$1,000,000 of Overbid Sale Proceeds, 70% of all remaining Overbid Sale Proceeds.

1.2.22. **Closing Date:** The date on which the Debtors close the Sale Transaction.

1.2.23. **Confirmation:** Entry by the Bankruptcy Court of the Confirmation Order.

1.2.24. **Confirmation Date:** The date upon which the Confirmation Order is entered by the Bankruptcy Court.

1.2.25. **Confirmation Hearing:** Collectively, the hearing or hearings held by the Bankruptcy Court on confirmation of the Plan, as such hearing or hearings may be continued from time to time.

1.2.26. **Confirmation Order:** The Order of the Bankruptcy Court confirming the Plan.

1.2.27. **Creditor:** Holder of a Claim.

1.2.28. **Creditors' Committee:** Any official committee of unsecured creditors of the Debtors appointed by the United States Trustee in the Cases pursuant to Section 1102 of the Bankruptcy Code as its composition may be changed from time to time by addition, resignation or removal of its members.

1.2.29. **CRO:** Matt Pascucci, a Managing Director of Deloitte Financial Advisory Services LLP, appointed as the chief restructuring officer of the Debtors in January 2013.

1.2.30. **Debtors:** Each of TPO Hess Holdings, Inc., TPO Hess Intermediate Holdings I, Inc., TPO Hess Intermediate Holdings II, Inc., The Press of Ohio, Inc., The D.B. Hess Company, DBH Associates – Ohio Limited Partnership, and DBH Associates – Illinois L.P.

1.2.31. **DIP Agent:** General Electric Capital Corporation, in its capacity as Administrative and Collateral Agent under the DIP Credit Facility.

1.2.32. **DIP Credit Agreement:** The Senior Secured Debtor-In-Possession Credit Agreement, by and among The Press of Ohio, Inc. and The D.B. Hess Company, as the borrowers, certain other signatories thereto as credit parties, and GECC, for itself, as a DIP Lender and as the DIP Agent, to be entered into in connection with commencement of the Cases.

1.2.33. **DIP Credit Facility:** The DIP Credit Agreement, all related guarantee, security, and collateral agreements and documents, and all exhibits and other ancillary documentation in respect thereof, and any other “Loan Documents” (as defined in the DIP Credit Agreement).

1.2.34. **DIP Financing Claims:** All Claims arising under or relating to the DIP Credit Facility and all agreements and instruments relating thereto pursuant to the DIP Credit Facility and the order(s) approving same, including all Claims, to the extent not already paid, for the fees, documented expenses, costs and other charges of the DIP Agent under the DIP Credit Facility without any requirement for the filing of retention or fee applications in the Cases, which shall be Allowed in full and shall not be subject to any avoidance, reductions, set off, offset, recharacterization, subordination (whether equitable, contractual or otherwise), counterclaims, cross-claims, defenses, disallowance, impairment, objection, or any other challenges to the extent permitted under applicable law.

1.2.35. **DIP Lenders:** The lenders, banks, other financial institutions or other non-Debtor entities that may become lenders under the DIP Credit Facility from time-to-time.

1.2.36. **DIP Order:** The order or orders entered by the Bankruptcy Court, as may be amended from time to time, approving and authorizing the DIP Credit Facility.

1.2.37. **Disclosure Statement:** Shall have the meaning set forth in Section 1.1 hereof.

1.2.38. **Distribution:** A distribution of Cash or other property pursuant to the Plan.

1.2.39. **File, Filed or Filing:** File, filed or filing with the Bankruptcy Court or its authorized designee in the Cases.

1.2.40. **Final Decree:** The Order entered pursuant to Section 350 of the Bankruptcy Code, Bankruptcy Rule 3022, and Local Rule 5009-1 closing the Cases.

1.2.41. **Final Fee Hearing:** Shall have the meaning set forth in Section 7.2 of the Plan.

1.2.42. **Final Order:** An order or judgment of the Bankruptcy Court, or other court of competent jurisdiction, as entered on the docket in any Case or the docket of any other court of competent jurisdiction, that has not been reversed, stayed, modified or amended, and as to which the time to appeal or seek certiorari or move for a new trial, reargument or rehearing has expired, and no appeal or petition for certiorari or other proceedings for a new trial, reargument or rehearing has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been timely Filed has been withdrawn or resolved by the

highest court to which the order or judgment was appealed or from which certiorari was sought or the new trial, reargument or rehearing has been denied or resulted in no modification of such order, provided, however, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules or applicable state court rules of civil procedure, may be Filed with respect to such order, shall not cause such order not to be a Final Order.

1.2.43. **First Lien Agent**: The Administrative and Collateral Agent under the First Lien Credit Facility.

1.2.44. **First Lien Credit Agreement**: The First Lien Credit Agreement, dated as of September 21, 2006 (as amended, restated, supplemented or otherwise modified), among The Press of Ohio, Inc. and The D.B. Hess Company, as the borrowers, other persons signatories thereto as credit parties, the First Lien Credit Facility Lenders, and the First Lien Agent.

1.2.45. **First Lien Credit Facility**: The First Lien Credit Agreement, all related guarantee, security, and collateral agreements and documents, and all exhibits and other ancillary documentation in respect thereof, and any other "Loan Documents" (as defined in the First Lien Credit Agreement).

1.2.46. **First Lien Credit Facility Claim**: All Claims arising under or relating to the First Lien Credit Facility, including, without limitation, any and all interest, fees, legal fees, expenses and other amounts accruing thereunder after the Petition Date, which shall be Allowed in full and shall not be subject to any avoidance, reductions, setoff, offset, recharacterization, subordination (whether equitable, contractual or otherwise), counterclaims, cross-claims, defenses, disallowance, impairment, objection, or any other challenges to the extent permitted under applicable law.

1.2.47. **First Lien Lenders**: The lenders party from time to time to the First Lien Credit Facility.

1.2.48. **GECC**: General Electric Capital Corporation.

1.2.49. **General Unsecured Claim**: An unsecured nonpriority Claim against a Debtor which is not a Secured Claim, an Administrative Expense Claim, a Priority Claim, a Priority Tax Claim, a Professional Fee Claim, DIP Financing Claim, DIP Fee Claim, First Lien Credit Facility Claim, Second Lien Note Claim, an Intercompany Claim, or an Interest.

1.2.50. **Holder**: The Person that is the owner of record of a Claim or Interest, as applicable.

1.2.51. **Impaired**: With respect to any Class of Claims or Interests, the Claims or Interests in such Class that are impaired within the meaning of Section 1124 of the Bankruptcy Code.

1.2.52. **Intercompany Claim**: Any Claim by a Debtor against another Debtor.

1.2.53. **Interest**: Either (i) the legal, equitable, contractual or other rights of any Person with respect to the preferred or common stock, or any other equity interest in any of the Debtors, including any other interest in or right to convert into such equity interest or (ii) the legal, equitable, contractual or other right of any Person to acquire or receive any of the foregoing.

1.2.54. **Leases**: Collectively, (a) the Lease Agreement, dated as of September 21, 2006, by and between AGNL Hess Ohio, L.L.C., as landlord, and The Press of Ohio, Inc. as tenant (as amended, modified, and/or restated from time to time); and (b) the Lease Agreement, dated as of September 21, 2006, by and between AGNL Hess Illinois, L.L.C., as landlord, and The D.B. Hess Company, as tenant (as amended, modified, and/or restated from time to time), and, in each case, all related agreements and documents, and all exhibits and other ancillary documentation in respect thereof.

1.2.55. **Local Rules**: The Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware, as amended from time to time.

1.2.56. **Order**: An order or judgment of the Bankruptcy Court, or other court of competent jurisdiction, as entered on the docket in any Case or the docket of any other court of competent jurisdiction.

1.2.57. **Other Secured Claim**: Any claims that is a Secured Claim other than the DIP Financing Claims, First Lien Credit Facility Claims and Second Lien Note Claims.

1.2.58. **Overbid Sale Proceeds**: The amount of net cash proceeds received by the Debtors upon consummation of the Sale Transaction less the "Purchase Price" as defined in the Asset Purchase Agreement (as in effect as of May 17, 2013, without giving effect to any amendments or modifications thereof).

1.2.59. **Person**: An individual, limited liability company, corporation, partnership, association, trust or unincorporated organization, joint venture or other person or a government or any agency or political subdivision thereof.

1.2.60. **Petition Date**: The date on which the Debtors File their respective petitions for relief in the Bankruptcy Court.

1.2.61. **Plan**: The Debtors' joint prepackaged plan of liquidation, as the same may hereafter be amended or modified.

1.2.62. **Priority Claim**: A Claim that is entitled to priority under Section 507(a) of the Bankruptcy Code, other than an Administrative Expense Claim and a Priority Tax Claim.

1.2.63. **Priority Tax Claim**: A Claim that is entitled to priority under Section 507(a)(8) of the Bankruptcy Code.

1.2.64. **Professional**: Any professional employed in the Cases pursuant to Sections 327, 328, 330 or 1103 of the Bankruptcy Code or any Professional or other Person

seeking compensation or reimbursement of expenses in connection with the Cases pursuant to Section 503(b)(4) of the Bankruptcy Code.

1.2.65. **Professional Fee Claim**: A Claim of a Professional for compensation or reimbursement of costs and expenses relating to services incurred during the period from the Petition Date and to the Effective Date.

1.2.66. **Professional Fee Claim Bar Date**: The date that is twenty-one (21) days after the Effective Date.

1.2.67. **Purchaser**: Bang Printing of Ohio, Inc.

1.2.68. **Record Date**: The Record Date shall be May 16, 2013.

1.2.69. **Record Holder**: The Holder of an Interest or Claim as of the Record Date.

1.2.70. **Released Parties**: Collectively, (a) the Debtors, (b) all of the Debtors' respective direct and indirect shareholders and owners, as well as their, and each of their direct and indirect shareholders' and owners' respective officers, directors, members, employees, partners, managers, advisors, attorneys, financial advisors, accountants, and other professionals and representatives, (c) (i) the DIP Agent and the DIP Lenders (and their respective affiliates and successors), (ii) the First Lien Agent, First Lien Credit Facility Lenders, and other agents under the First Lien Facility (and their respective affiliates and successors), (iii) the Second Lien Agent and other agents under the Second Lien Note Agreement, (iv) the Debtors' equity sponsor, and (v) Angelo Gordon, to the extent each such person or entity in subclauses (i) through (v) above consents in writing to the release provisions of the Plan; (d) the Second Lien Noteholders who vote to accept the Plan as set forth on the relevant Ballot, and (e) all respective direct and indirect officers, directors, principals, members, shareholders, owners, managers, employees, partners, subsidiaries, affiliates, advisors, attorneys, financial advisors, accountants, chief restructuring officers and other professionals and representatives of each of the parties listed in clauses (a) through (d) above.

1.2.71. **Sale Motion**: Shall have the meaning set forth in Section 2.3 of the Disclosure Statement.

1.2.72. **Sale Order**: Order of the Bankruptcy Court entered in the Cases approving and authorizing the Sale Transaction.

1.2.73. **Sale Transaction**: The sale of all or substantially all of the Debtors' assets under Section 363 of the Bankruptcy Code and the assumption and assignment of the executory contracts and unexpired leases under Section 365 of the Bankruptcy Code to the Purchaser pursuant to the Asset Purchase Agreement or to such other party submitting a higher and better offer.

1.2.74. **S/A/P Claims Bar Date**: Shall have the meaning set forth in Section 1.1 of the Plan.

1.2.75. **Satisfaction Amount**: Shall have the meaning set forth in Article I of the Plan.

1.2.76. **Scheduled Claim**: Any claim set forth on the Schedules.

1.2.77. **Schedules**: With respect to any Debtor, the Schedules of Assets and Liabilities Filed by such Debtor, as such Schedules may be amended from time to time in accordance with Bankruptcy Rule 1009.

1.2.78. **Second Lien Agent**: Guggenheim Corporate Funding, LLC.

1.2.79. **Second Lien Notes**: Certain notes issued pursuant to the Second Lien Note Agreement.

1.2.80. **Second Lien Noteholders**: The noteholders party from time to time to the Second Lien Note Agreement.

1.2.81. **Second Lien Note Agreement**: The Note Agreement, dated as of September 21, 2006 (as amended, restated, supplemented or otherwise modified), by and among The Press of Ohio, Inc., The D.B. Hess Company, TPO Hess Intermediate Holdings II, Inc., TPO Hess Holding, Inc., and TPO Intermediate Holdings I, Inc., certain noteholders signatory thereto and Guggenheim Corporate Funding, LLC as Administrative Agent, and all related guarantee, security, and collateral agreements and documents, and all exhibits and other ancillary documentation in respect thereof.

1.2.82. **Second Lien Note Claim**: All Claims arising under or relating to the Second Lien Notes, which shall be Allowed in full.

1.2.83. **Secured Claim**: Either (i) a Claim that is secured by a lien on property in which the Debtors have an interest, which lien is valid, perfected and enforceable under applicable law or pursuant to a Final Order, or that is subject to setoff under Section 553 of the Bankruptcy Code, to the extent of the value of the Creditor's interest in such property or to the extent of the amount subject to setoff, as applicable, all as determined pursuant to Section 506(a) of the Bankruptcy Code; or (ii) a Claim which is Allowed under the Plan as a Secured Claim.

1.2.84. **Unclassified Claims**: Claims which, pursuant to Section 1123(a)(1) of the Bankruptcy Code, shall not be placed into a Class. Unclassified Claims include Administrative Expense Claims, DIP Financing Claims, Professional Fee Claims and Priority Tax Claims.

1.2.85. **Unimpaired**: With respect to a Class of Claims or Interests, any Class that is unimpaired within the meaning of Section 1124 of the Bankruptcy Code.

1.2.86. **United States Trustee**: The Office of the United States Trustee for the District of Delaware.

1.2.87. **Voting Class**: Class 4 – Second Lien Note Claims, which is Impaired and entitled to vote on the Plan.

1.2.88. **Wind-Down Reserve:** Shall have the meaning set forth in Section 2.8 of the Plan.

1.3. **Approval of the Disclosure Statement and Confirmation of the Plan.**

1.3.1. **Requirements.** The requirements for Confirmation of the Plan are set forth in Section 1129 of the Bankruptcy Code. The requirements for the Disclosure Statement are set forth in Section 1125 of the Bankruptcy Code.

1.3.2. **Approval of the Disclosure Statement and Confirmation Hearing.** To confirm the Plan, the Bankruptcy Court must hold the Confirmation Hearing to determine whether the Plan meets the requirements of Section 1129 of the Bankruptcy Code. Following the Petition Date, the Bankruptcy Court will schedule a time for approval of the Disclosure Statement and the Confirmation Hearing.

1.3.3. **Deadline to Object to Approval of the Disclosure Statement and Confirmation of the Plan.** Any party-in-interest may object to the approval of the Disclosure Statement and the Confirmation of the Plan and appear at the Confirmation Hearing to pursue such objection. The Court will establish a deadline for filing and serving objections to the approval of the Disclosure Statement and Confirmation of the Plan, and at least twenty-eight (28) days' notice of such deadline will be provided to parties in interest. Objections to approval of the Disclosure Statement and Confirmation must be electronically filed with the Bankruptcy Court and served on counsel to the Debtors, the U.S. Trustee, and counsel to the Creditors' Committee (if any).

1.3.4. **Effect of Confirmation.** Except as otherwise provided in the Plan or in the Confirmation Order, confirmation will effect the distribution of the Debtors' Assets and the dissolution of the Debtors. Confirmation serves to make the Plan binding upon the Debtors, all Creditors, Interest Holders and other parties-in-interest, regardless of whether they cast a Ballot to accept or reject the Plan.

1.4. **Voting on the Plan.**

1.4.1. **Impaired Claims or Interests.** Pursuant to Section 1126 of the Bankruptcy Code, only the Holders of Claims in Classes "Impaired" by the Plan and receiving a payment or distribution under the Plan may vote on the Plan. Pursuant to Section 1124 of the Bankruptcy Code, a Class of Claims may be "Impaired" if the Plan alters the legal, equitable or contractual rights of the Holders of such Claims or Interests treated in such Class. The Holders of Claims not Impaired by the Plan (Unclassified Claims, Class 1 - Priority Claims, Class 2 - Other Secured Claims, and Class 3 - First Lien Facility Claims) are deemed to accept the Plan and do not have the right to vote on the Plan. The Holders of Claims Impaired by the Plan that will receive a distribution under the Plan (Class 4 - Second Lien Note Claims) have the right to vote to accept or reject the Plan. The Holders of Claims or Interests in any Class which will not receive any payment or distribution or retain any property pursuant to the Plan (Class 5 – General Unsecured Claims, Class 6 – Intercompany Claims and Class 7 – Interests) are deemed to reject the Plan and do not have the right to vote.

1.4.2. **Eligibility to Vote on the Plan.** Unless otherwise ordered by the Bankruptcy Court, only Record Holders of Allowed Second Lien Note Claims in Class 4 may vote on the Plan.

1.4.3. **Voting Procedure and Ballot Deadline.** To ensure your vote is counted you must (i) complete the Ballot, (ii) indicate your decision either to accept the Plan (and, as a result, provide the releases) or reject the Plan in the boxes provided on the Ballot, and (iii) sign and return the Ballot to the address set forth on the Ballot (please note that envelopes and prepaid postage have not been included with the Ballot).

The Debtors required that all Ballots for acceptance or rejection of the Plan must be received by the Balloting Agent on or before **May 21, 2013 at 1:00 p.m. (prevailing Eastern Time)**. The Balloting Agent applied the following rules for purposes of tabulating the Ballots:

- Votes Not Counted**
- any ballot that was illegible or contained insufficient information to permit the identification of the holder of the claim
 - any unsigned ballot
 - any ballot that partially rejected and partially accepted the Plan
 - any ballot not marked to accept or reject the Plan or marked both to accept and reject the Plan
 - any ballot superseded by a later, timely received valid ballot
 - any ballot submitted by a party that was not a record date holder of a Class 4 Claim
- No Vote Splitting**
- holders were required to vote all of their Class 4 Claims either to accept or reject the Plan and were not permitted to split any votes

1.5. **Acceptance of the Plan.** As a Creditor, your acceptance of the Plan is important. In order for the Plan to be accepted by an Impaired Class of Claims, a majority in number and two-thirds in dollar amount of the Claims voting (of each Impaired Class of Claims) must vote to accept the Plan, or the Plan must qualify for cramdown of any non-accepting Class of Claims pursuant to Section 1129(b) of the Bankruptcy Code. In any case, at least one impaired Class of Creditors, excluding the votes of insiders, must actually vote to accept the Plan. **YOU ARE URGED TO COMPLETE, DATE, SIGN AND PROMPTLY MAIL THE BALLOT ATTACHED TO THE NOTICE. PLEASE BE SURE TO COMPLETE THE BALLOT PROPERLY AND LEGIBLY IDENTIFY THE EXACT AMOUNT OF YOUR CLAIM AND THE NAME OF THE CREDITOR.**

2. **THE DEBTORS.**

2.1. **Description of Debtors, Debtors' History, and Debtors' Business.** Headquartered in Brimfield, Ohio with two printing facilities in Ohio and Illinois, the Debtors were one of the leading providers of print, related services, and technology. D.B Hess was founded in 1979 in Woodstock, Illinois and developed a stellar reputation as a one and two color book, catalog and directory manufacturer, serving the educational market and the business-to-business catalog market. The Press of Ohio was founded in 1985 in Brimfield, Ohio and was

well known for its high caliber work in the four color business-to-business catalog market within healthcare, biotech, and various industrial vertical markets. In 2006, Wellspring Capital Management LLC acquired both D.B. Hess and The Press of Ohio and subsequently formed the ultimate parent company, TPO Hess Holdings, Inc.

On the Petition Date, the Debtors filed petitions for relief under Chapter 11 of the Bankruptcy Code. Prior to the Petition Date, certain of the Debtors and GECC were parties to the First Lien Credit Agreement, which had a maturity date of March 2013 and provided for up to \$20 million of revolving credit. The obligations under the First Lien Credit Agreement are secured on a first-priority basis by substantially all of the assets and capital stock of the Debtors pursuant to that certain Guaranty and Security Agreement, dated as of September 21, 2006, by and among the Debtors and the First Lien Agent. The obligations under the First Lien Credit Agreement are also secured by certain trademarks pursuant to that certain Trademark Security Agreement, dated as of September 21, 2006, in favor of the First Lien Agent. In addition, the obligations under the First Lien Credit Agreement are guaranteed by Wellspring Capital Partners IV, L.P. in the aggregate amount not to exceed \$2,500,000. As of the Petition Date, the aggregate amount outstanding under the First Lien Credit Agreement was approximately \$11,889,183.

On September 21, 2006, Hess also issued \$75 million of second lien notes maturing October 2013 pursuant to the Second Lien Note Agreement. The obligations under the Second Lien Note Agreement are guaranteed by certain Debtors, and secured on a second-priority basis by substantially all of the assets and capital stock of the Debtors pursuant to that certain Guaranty and Security Agreement, dated as of September 21, 2006, by and among the Debtors and the Second Lien Agent. The obligations under the Second Lien Note Agreement are also secured by certain trademarks pursuant to that certain Trademark Security Agreement, dated as of September 21, 2006, in favor of the Second Lien Agent. As of the Petition Date, the aggregate amount outstanding under the Second Lien Note Agreement was approximately \$73,960,950.

2.2. **Debtors' First Day Motions, Ordinary Course Payments and DIP Loans.** If the Debtors commence the Cases, the Debtors anticipate filing certain motions requesting authority to pay certain prepetition obligations to ensure that they are able to continue their business operations in the ordinary course of business and to facilitate their transition into chapter 11. These motions will seek authority to pay the following obligations, among others: (i) employee obligations; (ii) insurance obligations; (iii) tax obligations; (iv) customer program obligations; and (v) critical vendor obligations. Additionally, subject to Bankruptcy Court approval, the Debtors anticipate that GECC will extend secured postpetition financing on a superpriority basis to the Debtors under the DIP Credit Facility.

2.3. **Sale of Substantially All of the Debtors' Assets.** The Debtors, through their financial advisor, have been engaged in extensive marketing efforts, soliciting expressions of interest from 103 strategic and financial investors, several of which submitted initial bids for substantially all of the Debtors' assets. The Debtors are commencing the Cases in order to consummate the Sale Transaction with the Purchaser pursuant to the Asset Purchase Agreement, subject to higher and better offers.

On the Petition Date, the Debtors will file a motion seeking approval of (i) certain bid procedures and (ii) the sale of substantially all of the Debtors' Assets (the "**Sale Motion**"). The Sale Motion seeks approval of the sale of substantially all of the Debtors' Assets to the Purchaser pursuant to the Asset Purchase Agreement. In addition to the assumption of the Assumed Liabilities, in consideration for the sale, transfer and delivery of the Purchased Assets (as defined in the Asset Purchase Agreement), at the Closing, Purchaser has agreed to deliver to the Debtors an amount equal to \$19,264,910.11, plus or minus any adjustment amounts as set forth in the Asset Purchase Agreement, a portion of which shall be used to fully satisfy all First Lien Credit Facility Claims and DIP Financing Claims outstanding as of the Closing Date by payment to GECC, in its capacity as First Lien Agent and DIP Agent, of an amount equal to such Claims on the Closing Date. The material terms of the Sale Transaction are set forth in the Asset Purchase Agreement, a form of which is attached hereto as **Exhibit B**. It is contemplated that after the Closing Date, the Debtors will cease their printing operations and begin winding up their affairs.

3. **SUMMARY OF THE PLAN.**

3.1. **Purpose of the Plan.** The Debtors are proposing the Plan, after consultation with the First Lien Agent and the Second Lien Agent, because (i) the Plan ensures a timely distribution of the proceeds of the Sale Transaction and (ii) the Plan avoids unnecessary costs to the Debtors' estates. **For these reasons, the Debtors are in favor of the Plan.**

3.2. **Classification of Claims and Interests under the Plan.** All Allowed Claims and Interests, except the Allowed Unclassified Claims, are placed in the Classes set forth in Article I of the Plan. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims, DIP Financing Claims, Professional Fee Claims and Priority Tax Claims have not been classified. A Claim or Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any remainder of the Claim or Interest qualifies within the description of such other Classes.

3.3. **Classification and Treatment of Allowed Claims.** Article I of the Plan provides for the following treatment of classified Classes. Holders of Class 1 Allowed Priority Claims that are not assumed in the Sale Transaction, in full and final satisfaction, settlement, release and compromise and in exchange for their Allowed Priority Claims, shall receive Cash in an amount equal to such Allowed Priority Claims on or as soon as reasonably practicable after the later of the date such claim is Allowed and the Effective Date. Holders of Class 2 Allowed Other Secured Claims that are not assumed in the Sale Transaction, in full and final satisfaction, settlement, release and compromise and in exchange for their Allowed Priority Claims, shall receive, at the option of the Debtors, either (i) Cash in an amount equal to such Allowed Other Secured Claim or (ii) the collateral securing such Allowed Other Secured Claim, on or as soon as reasonably practicable after the later of the date such claim is Allowed and the Effective Date.

Holders of Class 3 Allowed First Lien Facility Claims that remain after payment of the DIP Financing Claims, in full and final satisfaction, settlement, release and compromise and in exchange for their Allowed First Lien Claims, shall be paid in Cash, in full, on the Closing Date. Holders of Class 4 Second Lien Note Claims, in full and final satisfaction, settlement, release and compromise and in exchange for their Allowed Second Lien Note

Claims, shall receive the following: (i) payment of their pro rata share of the Class 4 Effective Date Payment Amount in cash on the Effective Date, (ii) payment of reasonable and documented fees and expenses incurred by one primary counsel and one local counsel to the Second Lien Agent in an aggregate amount not to exceed \$50,000, and (iii) after satisfaction of or reserve for all payments required to be made under the Plan, including to Holders of all Allowed Unclassified Claims, Allowed Class 1 Priority Claims, Allowed Class 2 Other Secured Claims and Allowed Class 3 First Lien Facility Claims, and an appropriate Wind-Down Reserve (the amount of cash necessary to satisfy in full all of the foregoing payments and/or reserves in this subclause (iii), the “**Satisfaction Amount**”), any cash of the Debtors that exceeds the Satisfaction Amount.

Holders of Class 5 Allowed General Unsecured Claims shall share, on a pro-rata basis, in the Debtors’ Cash remaining after the satisfaction of all payments required to be made to Holders of all Allowed Unclassified Claims, Allowed Class 1 Priority Claims, Allowed Class 2 Other Secured Claims, Allowed Class 3 First Lien Facility Claims and Allowed Class 4 Second Lien Note Claims; however, the Debtors do not believe that there will be sufficient Assets to satisfy the claims senior to Class 5. Holders of Class 6 Allowed Intercompany Claims will not receive any recovery on their Claims. Holders of Class 7 Allowed Interests will retain no ownership interests in the Debtors under the Plan and such Interests shall be cancelled effective as of the Effective Date.

3.4. **Claims Bar Dates.** Unless a prior date has been established pursuant to the Bankruptcy Code, the Bankruptcy Rules or a prior order of the Court, the Confirmation Order will establish bar dates for filing applications for allowance of Administrative Expense Claims (except for (i) Professional Fee Claims, (ii) the post-petition claims of the First Lien Agent under the First Lien Credit Facility, (iii) the post-petition claims of the Second Lien Agent, which shall include the fees and expenses of its professionals under the Second Lien Note Agreement, and be limited to \$50,000; (iv) the post-petition claims of the DIP Agent and the DIP Lenders under the DIP Credit Facility, (v) the fees and expenses of the professionals of the First Lien Agent under the First Lien Credit Facility and the DIP Agent under the DIP Credit Facility, (vi) DIP Financing Claims, and (vii) quarterly fees due to the Office of the United States Trustee pursuant to 28 U.S.C. § 1930), Priority Tax Claims, Priority Claims and Other Secured Claims, which date shall be the first business day that is thirty (30) days after the Confirmation Date (the “**S/A/P Claims Bar Date**”); provided, however, that any Priority Tax Claim or other claim that is subject to the S/A/P Claims Bar Date held by a governmental unit (as defined in section 101(27) of the Bankruptcy Code) that is filed within 180 days after the Petition Date shall be deemed timely. Holders of Administrative Expense Claims, except for those identified in (i)-(vii) in the prior sentence, Priority Tax Claims, Priority Claims and Other Secured Claims not paid prior to the Confirmation Date shall submit written requests for payment on or before the applicable S/A/P Claims Bar Date or forever be barred from doing so and collecting payment on such Claims. The notice of Confirmation and Effective Date of the Plan to be delivered pursuant to Bankruptcy Rules 3020(c) and 2002(f) will set forth the S/A/P Claims Bar Date and constitute good and sufficient notice of the S/A/P Claims Bar Date. The Debtors shall have 60 days (or such longer period as may be allowed by order of the Court, which may be entered without notice or a hearing) following the S/A/P Claims Bar Date to review and object to all timely filed Administrative Expense Claims, Priority Tax Claims, Priority Claims and Other Secured Claims. **Failure of a holder of an Administrative Expense Claim, Priority Tax Claims, Priority**

Claims and Other Secured Claims to timely and properly file and serve a written notice or request for payment on or before the S/A/P Claims Bar Date shall result in such holder's claim being forever barred and such holder shall not be treated as a creditor for purposes of distribution under the Plan.

3.5. **Implementation and Execution of the Plan.**

3.5.1. **Effective Date.** As set forth in Article II of the Plan, the Plan shall become effective on the date which is the first Business Day on which each condition set forth in Article V of the Plan has been satisfied or waived as set forth therein. Upon the occurrence of the Effective Date, the Debtors will serve a notice of Confirmation, occurrence of the Effective Date and establishment of the S/A/P Claims Bar Date on all known creditors.

3.5.2. **Summary of Means of Implementation and Execution of the Plan.** Article II of the Plan sets forth the means by which the Plan shall be implemented and executed, including the Distribution, the dissolution of the Debtors, the resignation of the Debtors' directors and officers, and objections to and allowance of Claims for purposes of the Distribution.

3.5.3. **Substantive Consolidation.** As set forth in Section 2.5 of the Plan, for the sole purpose of implementing and executing the Plan only, all Assets of and Claims against the Debtors will be deemed to be substantively consolidated. As a result, Claims filed against multiple Debtors seeking recovery of the same debt shall only receive a single Distribution from the consolidated Debtors' estates to the extent such Claim is an Allowed Claim. Intercompany Claims will be disregarded for both voting and distribution purposes.

3.5.4. **The Debtors' Abandonment, Disposal and/or Destruction of the Records.** As set forth in Section 2.6 of the Plan, the Debtors shall be authorized to abandon all originals and/or copies of documents and business records pursuant to section 554 of the Bankruptcy Code. With the closing of the Debtors' sale and the full wind down of all of the Debtors' operations, the Debtors have identified certain documents, books and records (the "**Records**") that are outdated, burdensome, and/or of inconsequential value to the Debtors' estates and are not necessary or relevant to: (i) the Debtors' performance of their duties and obligations, (ii) any pending litigation, (iii) the filing of any tax returns, (iv) the resolution of Claims against the Debtors, and (v) any potential causes of action that the Debtors may have. To complete the Debtors' wind down, avoid the incurrence of unnecessary storage costs and facilitate the consolidation and preservation of any pertinent documents, books and records, the Debtors wish to proceed with the abandonment, disposal and/or destruction of the Records.

3.5.5. **Transition Services Payments.** As set forth in Section 2.4 of the Plan, as part of the Sale Transaction, the Chief Liquidating Officer will pay the transition services payments in the total amount of \$550,000 to certain executives of the Debtors in exchange for such executives' corporate and support services rendered to the Debtors and the Chief Liquidating Officer prior to, and following, the Effective Date, which services shall be completed no later than 45 days after the Effective Date unless otherwise agreed to by the executive officer and the Chief Liquidating Officer.

3.6. **Executory Contracts and Unexpired Leases.** The Debtors believe that substantially all of their executory contracts and unexpired leases of the Debtors will be assumed and assigned in connection with the Sale Transaction. Article III of the Plan provides that all executory contracts and unexpired leases of the Debtors which are not assumed and assigned, or rejected, prior to the Confirmation Date, if any, shall be deemed rejected.

3.7. **Releases.** In consideration of the estimated distributions and other benefits provided under the Plan, Article IV of the Plan provides for mutual releases of all Claims and Causes of Action in any way relating to the Debtors, any successor to the Debtors, the Cases, the Disclosure Statement or the Plan, by and among the Released Parties, except that (i) no individual shall be released from any act or omission that constitutes gross negligence, willful misconduct or actual fraud, as determined by a Final Order, (ii) the Debtors shall not relinquish or waive the right to assert any of the foregoing as a legal or equitable defense or right of setoff or recoupment against any Claims of any such persons asserted against the Debtors, (iii) the foregoing release shall not apply to any obligations that remain outstanding in respect of loans or advances made to individuals by the Debtors, and (iv) the foregoing release applies to the Released Parties solely in their respective capacities described above.

3.8. **Conditions Precedent to Confirmation and Consummation of the Plan.** Article V of the Plan sets forth the conditions that must occur prior to both Confirmation of the Plan and the occurrence of the Effective. This Article also describes the Debtors' ability to waive such conditions, as well as the effect of non-occurrence of the conditions to the Effective Date, including the vacation of the Confirmation Order. If the Confirmation Order is vacated pursuant to section 5.4 of the Plan, (i) the Plan shall be null and void in all respects; and (ii) nothing contained in the Plan shall (a) constitute a waiver or release of any Claims by or against, or any Interest in, the Debtors or (b) prejudice in any manner the rights of the Debtors or any other party in interest.

3.9. **Waiver and Release of Avoidance Actions.** Section 6.3 of the Plan contemplates that the Debtors will waive and release all Avoidance Actions as of the Effective Date.

3.10. **Miscellaneous Provisions.** Article VI of the Plan contains several miscellaneous provisions, including: (i) the retention of jurisdiction by the Bankruptcy Court over certain matters following the Confirmation Date; (ii) the Debtors' payment of statutory fees pursuant to 28 U.S.C. § 1930; (iii) the dissolution of the Creditors' Committee (if one is appointed); and (iv) the termination of Epiq Bankruptcy Solutions, LLC, in its capacity as claims, noticing and balloting agent.

Additionally, please note that ARTICLE IV of the Plan governs the INJUNCTION, RELEASE, EXCULPATION and limitation of liability of certain parties with respect to the Cases. Please review the provisions of ARTICLE IV carefully.

3.11. **Final Fee Hearing and Final Decree.**

3.11.1. **The Professional Fee Claim Bar Date and the Final Fee Hearing.** Article VII of the Plan describes the Professional Fee Claim Bar Date and the Final Fee Hearing.

The Debtors will file and serve on the Professionals retained or proposed to be retained in the Cases a notice of the Professional Fee Claim Bar Date and the Final Fee Hearing.

4. **FEASIBILITY.**

4.1. **Financial Feasibility Analysis.**

4.1.1. **Bankruptcy Code Standard.** The Bankruptcy Code requires that, in order to confirm a plan, the Bankruptcy Court must find that confirmation of such plan is not likely to be followed by the liquidation or the need for further financial reorganization of the debtor(s) unless contemplated by the plan.

4.1.2. **No Need for Further Reorganization of Debtors.** The Plan provides for the liquidation and distribution of all of the Debtors' Assets. Accordingly, the Debtors believe that all Plan obligations will be satisfied without the need for further reorganization of the Debtors.

5. **BEST INTERESTS OF CREDITORS AND ALTERNATIVES TO PLAN.**

5.1. **Chapter 7 Liquidation.**

5.1.1. **Bankruptcy Code Standard.** Notwithstanding acceptance of a plan by the requisite number of creditors in an impaired class, the Bankruptcy Court must still independently determine that such plan provides each member of each impaired class of claims and interests a recovery that has a value at least equal to the value of the recovery that each such Person would receive if the debtor was liquidated under Chapter 7 of the Bankruptcy Code on the effective date of such plan.

5.1.2. **Plan is in the Best Interests of Creditors.** Notwithstanding acceptance of the Plan by a voting Impaired Class, in order to confirm the Plan, the Bankruptcy Court must determine that the Plan is in the best interests of each holder of a Claim or Interest in any such Impaired Class which has not voted to accept the Plan. Accordingly, if an Impaired Class does not vote unanimously to accept the Plan, the best interests test requires the Bankruptcy Court to find that the Plan provides to each member of such Impaired Class a recovery on account of the Class member's Claim or Interest that has a value, as of the Effective Date, at least equal to the value of the recovery that each such Class member would receive if the Debtors were liquidated under Chapter 7.

The Debtors believe that the Plan satisfies the best interests test, because, among other things, the recoveries expected to be available to Holders of Allowed Claims under the Plan will be greater than the recoveries expected to be available in a Chapter 7 liquidation.

In a typical Chapter 7 case, a trustee is elected or appointed to liquidate a debtor's assets for distribution to creditors in accordance with the priorities set forth in the Bankruptcy Code. Generally, secured creditors are paid first from the proceeds of sales of the properties securing their liens. If any assets are remaining in the bankruptcy estate after satisfaction of secured creditors' claims from their collateral, administrative expenses are next to receive payment. Unsecured creditors are paid from any remaining sales proceeds, according to their respective

priorities. Unsecured creditors with the same priority share in proportion to the amount of their allowed claims in relationship to the total amount of allowed claims held by all unsecured creditors with the same priority. Finally, equity interest holders receive the balance that remains, if any, after all creditors are paid.

It is contemplated that substantially all of the Debtors' Assets will be liquidated during the Cases through the sale consummated by the Debtors to the Purchaser. Although the Plan effects a liquidation of the Debtors' remaining Assets and a Chapter 7 liquidation would have the same goal, the Debtors believe that the Plan provides the best source of recovery to holders of Allowed Second Lien Note Claims. The Debtors' liquidation analysis showing potential recoveries to holders of Allowed Second Lien Note Claims under the Plan and in a hypothetical Chapter 7 liquidation is attached hereto as **Exhibit C**. Converting to Cases under Chapter 7 may jeopardize the sale process and lead to a piecemeal liquidation of the Debtors' Assets rather than a sale as a going concern. Further, a Chapter 7 liquidation would result in delay while the Debtors' Assets were liquidated. While not reflected in this liquidation analysis, the process of liquidating the Debtors' assets would also likely have its own attendant costs that would further decrease recoveries. Finally, in either a Chapter 11 or Chapter 7, holders of Allowed Unsecured Claims would receive no recovery.

Accordingly, the Debtors believe that the Plan is in the best interests of Creditors.

5.2. **Alternative Plan(s).** The Debtors do not believe that there are any alternative plans. The Debtors believe that the Plan, as described herein, enables holders of Claims to realize the greatest possible value under the circumstances, and that, compared to any alternative plan, the Plan has the greatest chance to be confirmed and consummated.

6. **RISK FACTORS.**

Holders of Claims who are entitled to vote on the Plan should read and carefully consider the following factors, as well as the other information set forth in this Disclosure Statement and the Plan, before deciding whether to vote to accept or reject the Plan.

6.1. **Certain Bankruptcy Considerations.**

Even if the Impaired Voting Class votes to accept the Plan, and with respect to any Impaired Class deemed to have rejected the Plan, the requirements for "cramdown" are met; the Court may exercise substantial discretion and may choose not to confirm the Plan. Section 1129 of the Bankruptcy Code requires, among other things, that the value of distributions to dissenting holders of Claims or Interests may not be less than the value such Holders would receive if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code. Although the Debtors believe that the Plan will meet such requirement, there can be no assurance that the Court will reach the same conclusion.

6.2. **Claims Estimation.**

There can be no assurance that the estimated amount of Claims set forth in the Plan is correct, and the actual allowed amounts of Claims may differ from the estimates. Any value

given as to the Claims against and the Assets of the Debtors is based upon an estimation of such value.

7. **TAX CONSEQUENCES OF THE PLAN** .

THE DEBTORS HAVE NOT REQUESTED A RULING FROM THE IRS OR AN OPINION OF COUNSEL WITH RESPECT TO ANY OF THE TAX ASPECTS OF THE PLAN. THUS, NO ASSURANCE CAN BE GIVEN AS TO THE TAX CONSEQUENCES OF THE PLAN. EACH HOLDER OF A CLAIM OR EQUITY INTEREST IS URGED TO CONSULT ITS OWN TAX ADVISOR FOR THE FEDERAL, STATE, LOCAL AND OTHER TAX CONSEQUENCES APPLICABLE UNDER THE PLAN.

8. **CONCLUSION** .

It is important that you exercise your right to vote on the Plan. It is the Debtors' belief and recommendation that the Plan fairly and equitably provides for the treatment of all Claims against and Interests in the Debtors.

IN WITNESS WHEREOF, the Debtors have executed this Disclosure Statement this 18th day of May, 2013.

Respectfully submitted,

TPO Hess Holdings, Inc., et al.

By: /s/ Jerry Haywood
Name: Jerry Haywood
Title: Interim Chief Executive Officer and
Chief Financial Officer

EXHIBIT A

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

In re:) Chapter 11
)
 TPO HESS HOLDINGS, INC. *et al.*,¹) Case No. 13-____(____)
 Debtors.) (Joint Administration Pending)
)
)

DEBTORS' JOINT PLAN OF LIQUIDATION

May 18, 2013

Article I
**TREATMENT AND CLASSIFICATION OF CLAIMS AND INTERESTS;
 IMPAIRMENT**

The categories of Claims and Interests listed below classify Claims and Interests for all purposes, including voting, Confirmation and Distribution pursuant hereto and pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code. Capitalized terms used, but not otherwise defined, herein shall have the meanings set forth in section 1.2 of the disclosure statement (as amended, modified or supplemented, the “**Disclosure Statement**”).

| Class | Type | Status Under Plan | Allowance and Treatment | Aggregate Amount in Class (\$) | Recovery of Class (%) |
|--------------|-------------------------------|----------------------------------|--|---------------------------------------|------------------------------|
| Unclassified | Administrative Expense Claims | Not Entitled to Vote on the Plan | Except to the extent that any entity entitled to payment of any Allowed Administrative Expense Claim agrees to a different treatment, each Holder of an Allowed Administrative Expense Claim shall receive Cash in an amount | \$935,000 | 100% |

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are TPO Hess Holdings, Inc. (8243), TPO Hess Intermediate Holdings I, Inc. (8295), TPO Hess Intermediate Holdings II, Inc. (8364), The Press of Ohio, Inc. (3273), The D.B. Hess Company (7313), DBH Associates – Ohio Limited Partnership (2683), and DBH Associates – Illinois L.P. (8880). The address of the Debtors’ corporate headquarters is 3765 Sunnybrook Road, Brimfield, Ohio 44240.

| | | | | | |
|--------------|-------------------------|----------------------------------|--|--------------|------|
| | | | equal to such Allowed Administrative Expense Claim on, or as soon thereafter as is reasonably practicable, the later of the Effective Date and the date such Administrative Expense Claim becomes an Allowed Administrative Expense Claim. | | |
| Unclassified | DIP Financing Claims | Not Entitled to Vote on the Plan | DIP Financing Claims shall be Allowed Claims pursuant to this Plan. On the Closing Date, holders of DIP Financing Claims shall receive payment in full in Cash of all DIP Financing Claims except to the extent that the holders of DIP Financing Claims agree to a different treatment. Notwithstanding anything to the contrary contained herein, the liens and security interests securing the DIP Financing Claims shall continue in full force and effect until the DIP Financing Claims have been paid in full in Cash on the Closing Date, unless the holders of the DIP Financing Claims agree to a different treatment. | \$13,461,989 | 100% |
| Unclassified | Professional Fee Claims | Not Entitled to Vote on the Plan | Each Holder of an Allowed Professional Fee Claim that has not been satisfied or is not an Assumed Liability shall be paid by the Debtors the full amount of such Allowed Professional Fee Claim, in Cash on or before the Effective Date or on the date on which such Allowed Professional Fee Claim becomes due and payable pursuant to the terms thereof, the agreement upon which such Allowed Professional Fee Claim is based, or any applicable Order of the Bankruptcy Court. | \$1,550,000 | 100% |
| Unclassified | Priority Tax Claims | Not Entitled to Vote on the Plan | Except to the extent that a holder of an Allowed Priority Tax Claim agrees to a different treatment, each holder of an Allowed Priority Tax Claim shall receive, at the option of the Debtors, (a) Cash in an amount equal to such Allowed Priority Tax Claim on the later of the Effective Date and the date such Priority Tax Claim becomes an Allowed Priority Tax Claim, or as soon thereafter as is practicable. | \$197,468 | 100% |

| | | | | | |
|---|----------------------------|---|---|--------------|------|
| 1 | Priority Claims | Unimpaired, Conclusively Deemed to Have Accepted the Plan | <p><u>Allowance.</u> Class 1 Claims shall be allowed or disallowed in accordance with this Plan and applicable provisions of the Bankruptcy Code and Bankruptcy Rules.</p> <p><u>Treatment.</u> Subject to the terms of this Plan, holders of Class 1 Claims that are not assumed in the Sale Transaction, in full and final satisfaction, settlement, release and compromise and in exchange for their Allowed Priority Claims, shall receive Cash in an amount equal to such Allowed Priority Claims on or as soon as reasonably practicable after the later of the date such claim is Allowed and the Effective Date.</p> | \$216,126 | 100% |
| 2 | Other Secured Claims | Unimpaired, Conclusively Deemed to Have Accepted the Plan | <p><u>Allowance.</u> Class 2 Claims shall be allowed or disallowed to the extent permitted by section 506 of the Bankruptcy Code and other applicable provisions of the Bankruptcy Code and Bankruptcy Rules in accordance with this Plan.</p> <p><u>Treatment.</u> Subject to the terms of this Plan, holders of Class 2 Claims that are not assumed in the Sale Transaction, in full and final satisfaction, settlement, release and compromise and in exchange for their Allowed Other Secured Claims, shall receive, at the option of the Debtors, either (i) Cash in an amount equal to such Allowed Other Secured Claim or (ii) the collateral securing such Allowed Other Secured Claim, on or as soon as reasonably practicable after the later of the date such Claim is Allowed and the Effective Date.</p> | \$0 | 100% |
| 3 | First Lien Facility Claims | Unimpaired, Conclusively Deemed to Have Accepted the Plan | <p><u>Allowance.</u> Class 3 Claims shall be Allowed Claims pursuant to this Plan (i) in the aggregate amount of \$11,189,183 plus (and including) all other amounts which may be outstanding under the First Lien Facility as of the Petition Date, and (ii) interest, fees and other amounts outstanding under the First Lien Facility through the Effective Date, as such amount may be reduced by the “roll-up” of Class 3 Claims into the</p> | \$11,889,183 | 100% |

| | | | | | |
|---|-------------------------|----------------------------|--|--------------------------|------------------|
| | | | DIP Financing Claims that are authorized pursuant to a DIP Order. <u>Treatment.</u> Subject to the terms of this Plan, holders of Class 3 Claims that remain after payment of the DIP Financing Claims, in full and final satisfaction, settlement, release and compromise and in exchange for their Allowed First Lien Claims, shall be paid in Cash, in full, on the Closing Date. | | |
| 4 | Second Lien Note Claims | Impaired, Entitled to Vote | <u>Allowance.</u> Class 4 Claims shall be Allowed Claims pursuant to this Plan in the aggregate amount of \$73,960,950 plus (and including) all other amounts which may be outstanding under the Second Lien Note Agreement as of the Petition Date. <u>Treatment.</u> Subject to the terms of this Plan, Holders of Class 4 Claims, in full and final satisfaction, settlement, release and compromise and in exchange for their Allowed Second Lien Note Claims, shall receive the following: (i) payment of their pro rata share of the Class 4 Effective Date Payment Amount in cash on the Effective Date, (ii) payment of reasonable and documented fees and expenses incurred by one primary counsel and one local counsel to the Second Lien Agent in an aggregate amount not to exceed \$50,000, and (iii) after satisfaction of or reserve for all payments required to be made under the Plan, including under clause (i) above and to Holders of all Allowed Unclassified Claims, Allowed Class 1 Priority Claims, Allowed Class 2 Other Secured Claims and Allowed Class 3 First Lien Facility Claims, and an appropriate Wind-Down Reserve (the amount of cash necessary to satisfy in full all of the foregoing payments and/or reserves in this subclause (iii), the " Satisfaction Amount "), any cash of the Debtors that exceeds the Satisfaction Amount. | \$73,960,950 | 2.0% (estimated) |
| 5 | General Unsecured | Impaired, Deemed to | <u>Allowance.</u> Class 5 Claims shall be Allowed in the amounts set forth in the | \$20,176,578 (estimated) | 0% (estimated) |

| | | | | | |
|---|---------------------|----------------------------|--|-----|------|
| | Claims | Reject | Debtors' Schedules or disallowed to the extent permitted by section 502 of the Bankruptcy Code and other applicable provisions of the Bankruptcy Code and Bankruptcy Rules in accordance with this Plan. <u>Treatment.</u> Subject to the terms of this Plan, Holders of Allowed General Unsecured Claims shall share, on a pro rata basis, in the Debtors' Cash remaining after the satisfaction of all payments required to be made to Holders of all Allowed Unclassified Claims, Allowed Class 1 Priority Claims, Allowed Class 2 Other Secured Claims, Allowed Class 3 First Lien Facility Claims and Allowed Class 4 Second Lien Note Claims. | | ted) |
| 6 | Intercompany Claims | Impaired, Deemed to Reject | Holders of Claims in this Class will not receive any recovery on their Claims. | \$0 | 0% |
| 7 | Interests | Impaired, Deemed to Reject | Holders of Interests in the Debtors will retain no ownership interests in the Debtors under the Plan and such Interests shall be cancelled effective as of the Effective Date. | \$0 | 0% |

1.1. **Claims Bar Dates.** Unless a prior date has been established pursuant to the Bankruptcy Code, the Bankruptcy Rules or a prior order of the Court, the Confirmation Order will establish bar dates for filing applications for allowance of Administrative Expense Claims (except for (i) Professional Fee Claims, (ii) the post-petition claims of the First Lien Agent under the First Lien Credit Facility, (iii) the post-petition claims of the Second Lien Agent, which shall include the fees and expenses of its professionals under the Second Lien Note Agreement, and be limited to \$50,000, (iv) the post-petition claims of the DIP Agent and the DIP Lenders under the DIP Credit Facility, (v) the fees and expenses of the professionals of the First Lien Agent under the First Lien Credit Facility and the DIP Agent under the DIP Credit Facility, (vi) DIP Financing Claims, and (vii) quarterly fees due to the Office of the United States Trustee pursuant to 28 U.S.C. § 1930), Priority Tax Claims, Priority Claims and Other Secured Claims, which date shall be the first business day that is thirty (30) days after the Confirmation Date (the "**S/A/P Claims Bar Date**"); provided, however, that any Priority Tax Claim or other claim that is subject to the S/A/P Claims Bar Date held by a governmental unit (as defined in section 101(27) of the Bankruptcy Code) that is filed within 180 days after the Petition Date shall be deemed timely. Holders of Administrative Expense Claims, except for those identified in (i)-(vii) in the prior sentence, Priority Tax Claims, Priority Claims and Other Secured Claims not paid prior to the Confirmation Date shall submit written requests for payment on or before the applicable S/A/P Claims Bar Date or forever be barred from doing so and collecting payment on such Claims. The notice of Confirmation and Effective Date of the Plan to be delivered pursuant to Bankruptcy Rules 3020(c) and 2002(f) will set forth the S/A/P Claims Bar Date and constitute

good and sufficient notice of the S/A/P Claims Bar Date. The Debtors shall have 60 days (or such longer period as may be allowed by order of the Court, which may be entered without notice or a hearing) following the S/A/P Claims Bar Date to review and object to all timely filed Administrative Expense Claims, Priority Tax Claims, Priority Claims and Other Secured Claims. **Failure of a holder of an Administrative Expense Claim, Priority Tax Claims, Priority Claims and Other Secured Claims to timely and properly file and serve a written notice or request for payment on or before the S/A/P Claims Bar Date shall result in such holder's claim being forever barred and such holder shall not be treated as a creditor for purposes of distribution under the Plan.**

1.2. **Special Provision Governing Claims.** Except as set forth in Section 4.3 hereof, nothing under this Plan shall affect the Debtors' rights and defenses in respect of any Claim, including all rights in respect of legal and equitable defenses to or setoffs or recoupment against such Claims.

1.3. **Cancellation of Claims and Interests.** Except as otherwise set forth in this Plan, and except for purposes of evidencing a right to the Distribution, on the Effective Date, all agreements and other documents evidencing the Claims or rights of any Creditor against the Debtors, including all notes, guarantees, mortgages, and all Interests shall be cancelled.

Article II **IMPLEMENTATION AND EXECUTION OF THE PLAN**

2.1. **Effective Date.** The Plan shall become effective on the date which is the first Business Day on which each condition set forth in Article V of the Plan has been satisfied or waived as set forth therein (the "**Effective Date**").

2.2. **Delivery of Distribution.** Pursuant to the terms and provisions of the Plan, the Debtors shall make the required Distributions specified under the Plan. The Chief Liquidation Officer shall be responsible for establishing the reserves under Section 2.9 of the Plan and making the Distributions required by the Plan. The Distribution shall be made to Record Holders of Allowed Claims: (i) at the address set forth on the proof of claim Filed by such Holder, (ii) at the address set forth in any written notices of address change Filed by such Holder, (iii) at the addresses reflected in the Schedules if neither a proof of claim nor a written notice of address change has been Filed, or (iv) if the Holder's address is not listed in the Schedules, at the last known address of such Holder according to the Debtors' books and records.

2.3. **Dissolution of the Debtors.** On the Effective Date or as soon thereafter as is reasonably practicable, the affairs of the Debtors may be wound up and the Debtors shall be authorized to dissolve at any time without the need for any further action or approval; provided, however, that the entry of the Final Decree in these Cases shall effect such dissolution of all remaining Debtors to the extent permissible under applicable law.

2.4. **Directors and Officers.** On the Effective Date, the member(s) of the board of directors of the Debtors shall be deemed to have resigned to the extent permissible under applicable law. Following the Effective Date until the date of entry of the Final Decree, the Chief Liquidating Officer shall be appointed and shall serve as the sole member of the board of directors of each of the Debtors. The Chief Liquidating Officer will serve until his successor is duly elected or

appointed and qualified or until the earlier of (i) his death, resignation or removal in accordance with the terms of the Certificate of Incorporation and By-Laws of the respective Debtor and state law or (ii) the date of the entry of the Final Decree. The executive officer(s)² shall be deemed to resign upon completion of any transition services, including corporate and support services, rendered to the Debtors and the Chief Liquidating Officer relating to this Plan and consummation of the Sale Transaction, which, in any event, shall be completed no later than 45 days after the Effective Date unless otherwise agreed to by the executive officer and the Chief Liquidating Officer. In consideration for the executives providing such services, the Chief Liquidating Officer will pay each executive cash consideration in an amount to be determined by the Chief Liquidating Officer with the aggregate amount of payments to all executives not to exceed \$550,000, to be paid at the time such services are completed. Upon resignation of the executives, the Chief Liquidating Officer shall serve as the sole officer of each Debtor.

2.5. **Substantive Consolidation.** For the purposes of the Cases and the Plan only, all Assets of and Claims against the Debtors will be deemed to be substantively consolidated. As a result, Claims filed against multiple Debtors seeking recovery of the same debt shall only receive a single Distribution from the consolidated Debtors' estates to the extent such Claim is an Allowed Claim. Claims of Debtors against other Debtors will be disregarded for both voting and distribution purposes.

2.6. **Records.** Pursuant to section 554 of the Bankruptcy Code, the Debtors shall be authorized to abandon all originals and/or copies of documents and business records.

2.7. **Effectuating Documents.** Any officer(s) and director(s) of each Debtor shall be authorized to execute, deliver, file or record such contracts, instruments, releases and other agreements or documents and take such other actions as may be necessary or appropriate to effectuate and implement the provisions of the Plan.

2.8. **Reserve for Wind-Down Costs.** The Chief Liquidating Officer shall establish a reserve (the "**Wind-Down Reserve**") and fund it with Cash sufficient to pay (i) all Allowed Professional Fee Claims in full, (ii) transition services payments under the Plan, (iii) the costs of administering and implementing the Plan following the Effective Date, including the payment of fees and expenses of the Chief Liquidating Officer and its professionals, (iv) the costs of distributing Assets to Holders of Allowed Claims, and (v) fees owing to the U.S. Trustee pursuant to 28 U.S.C. § 1930.

²

The executive officers are Jerry Haywood (Interim Chief Executive Officer, Chief Financial Officer), Brendan Savage (Senior Vice President of Operations), David Hunnius (Senior Vice President - Sales), Michael Manley (Director of Marketing), Bob Frederick (Vice President Supply Chain), Douglas Holzschuh (Vice President - Information Technology), Martin Sullivan (Estimating Director).

Article III
EXECUTORY CONTRACTS AND UNEXPIRED LEASES

3.1. **Executory Contracts and Unexpired Leases.** All executory contracts and unexpired leases of the Debtors which are not assumed and assigned, or rejected, prior to the Confirmation Date shall be deemed rejected.

Article IV
EFFECT OF CONFIRMATION OF THE PLAN AND RELEASE, INJUNCTIVE AND RELATED PROVISIONS

4.1. **Binding Effect; Plan Binds All Holders of Claims and Equity Interests.** On the Effective Date, and effective as of the Effective Date, the Plan shall, and shall be deemed to, be binding upon the Debtors and all present and former Holders of Claims against and Interests in any Debtor, and their respective predecessors, successors, assigns and present and former affiliates (whether by operation of law or otherwise) and for each of the foregoing, each of their respective members, partners, equity holders, officers, directors, employees, representatives, advisors, attorneys, notaries (pursuant to the laws of the United States and any other jurisdiction), auditors, agents and professionals, in each case acting in such capacity on or any time after the Petition Date, and any Person claiming by or through any of them, regardless of whether any such Holder of a Claim or Interest has voted or failed to vote to accept or reject this Plan.

Further, pursuant to section 1142 of the Bankruptcy Code and in accordance with the Confirmation Order, the Debtors and any other necessary party, at the sole expense of the Debtors, shall execute, deliver and join in the execution or delivery (as applicable) of any instrument, document or agreement required to effect a transfer of property, a satisfaction of a Lien or a release of a Claim dealt with by the Plan, and to perform any other act and execute any other documents necessary to effectuate the Plan, and all other documents set forth or contemplated in the Plan that are necessary for the consummation of the Plan and the transactions contemplated herein.

Each of the Debtors, management, CRO and Chief Liquidating Officer are authorized to execute, deliver, file, or record such contracts, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

4.2. **Injunction.** Except as otherwise expressly provided in the Plan, the Confirmation Order, or a separate order of the Court, all entities who have held, hold, or may hold Claims against or Interests in the Debtors or their estates that arose before or were held as of the Effective Date, are permanently enjoined, on and after the Effective Date, from (a) commencing or continuing in any manner any action or other proceeding of any kind against the Debtors, with respect to any such Claim or Interest, (b) the enforcement, attachment, collection, or recovery by any manner or means of any judgment, award, decree, or order against the Debtors on account of any such Claim or Interest, (c) creating, perfecting, or enforcing any encumbrance of any kind against the Debtors or against the property or interests in property of the Debtors on account of any such Claim or Interest,

and (d) asserting any right of setoff or subrogation of any kind against any obligation due from the Debtors or against the property or interests in property of the Debtors on account of any such Claim or Interest. Such injunction shall extend to successors of the Debtors and their respective properties and interests in property.

4.3. **Mutual Releases by the Debtors and non-Debtors.** On the Effective Date, the Debtors, on behalf of themselves and their Estates, and each Released Party shall be deemed, by virtue of their receipt of Distributions and/or treatment of claims pursuant to the Sale Order and/or other treatment contemplated under the Plan and/or their written agreement, to have forever released themselves and each other Released Party from any and all claims, interests, obligations, suits, judgments, damages, rights, Causes of Action and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise (including, without limitation, those arising under 11 U.S.C. §§ 541-550 and interest or other carrying costs, penalties, legal, accounting and other professional fees and expenses and incidental, consequential and punitive damages payable to third parties), based in whole or in part upon actions taken solely in their respective capacities described above or any omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the Debtors, any successor to the Debtors, the Cases, the Disclosure Statement, the Plan, the First Lien Credit Facility, the Second Lien Note Agreement, the Second Lien Notes, the Leases, or the DIP Facility, except that (i) no individual shall be released from any act or omission that constitutes gross negligence, willful misconduct or actual fraud, as determined by a Final Order, (ii) the Debtors shall not relinquish or waive the right to assert any of the foregoing as a legal or equitable defense or right of setoff or recoupment against any Claims of any such persons asserted against the Debtors, (iii) the foregoing release shall not apply to any obligations that remain outstanding in respect of loans or advances made to individuals by the Debtors, and (iv) the foregoing release applies to the Released Parties solely in their respective capacities described above.

4.4. **Exculpation.** Subject to the occurrence of the Effective Date, the Debtors, the Creditors' Committee (if one is appointed), and any of such parties' respective affiliates, officers, directors, members, employees, partners, managers, advisors, attorneys, agents, financial advisors, accountants, and other professionals and any of such parties' successors and assigns, shall have no liability whatsoever to any holder or purported holder of an Administrative Expense Claim, a Claim, or an Interest for any act or omission in connection with, or arising out of, the Plan, the Disclosure Statement, the negotiation of the Plan, the Disclosure Statement, the pursuit of approval of the Plan or Disclosure Statement or the solicitation of votes for confirmation of the Plan, the Cases, the consummation of the Plan, the administration and implementation of the Plan or the property to be distributed under the Plan, or any transaction contemplated by the Plan or Disclosure Statement or in furtherance thereof except for any act or omission that constitutes willful misconduct or gross negligence as determined by a Final Order. This exculpation shall be in addition to, and not in limitation of, all other releases, indemnities, exculpations and any other applicable law or rules protecting such Released Parties from liability.

4.5. **Term of Bankruptcy Injunction or Stays.** All injunctions or stays provided for in the Cases under sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date.

Article V
**CONDITIONS PRECEDENT TO CONFIRMATION
AND CONSUMMATION OF THE PLAN**

5.1. **Conditions to Confirmation.** The following shall be the condition to confirmation unless such condition is duly waived pursuant to section 5.3 of the Plan: (i) the Confirmation Order is entered by the Bankruptcy Court and is in form and substance reasonably satisfactory to the Debtors; (ii) the Sale Order, in form and substance reasonably satisfactory to the Debtors, is entered by the Bankruptcy Court; (iii) the Sale Transaction is consummated; (iv) the First Lien Credit Facility Claims and DIP Financing Claims are satisfied and repaid in full; and (v) the Holders of Class 4 Claims are paid the Class 4 Effective Date Payment Amount.

5.2. **Conditions to the Effective Date.** The Effective Date shall not occur and the Plan shall not be consummated unless and until each of the following conditions has been satisfied or duly waived pursuant to section 5.3 of the Plan: (i) the Bankruptcy Court shall have entered the Confirmation Order in form and substance reasonably satisfactory to the Debtors and such order shall be in full force and effect, (ii) the First Lien Credit Facility Claims and DIP Financing Claims are satisfied and repaid in full, and (iii) the Holders of Class 4 Claims are paid the Class 4 Effective Date Payment Amount.

5.3. **Waiver of Conditions to Confirmation or the Effective Date.** The conditions to Confirmation set forth in section 5.1 of the Plan and the conditions to the Effective Date set forth in section 5.2 of the Plan may be waived in whole or part in writing by the Debtors at any time without further Order; provided, however, that (i) the condition set forth in Section 5.1(iv) and 5.2(ii) may not be waived by the Debtors without the consent of GECC, in its capacity as First Lien Agent and DIP Agent, and (ii) the conditions set forth in Section 5.1(v) and Section 5.2(iii) may not be waived by the Debtors without the consent of the Second Lien Agent.

5.4. **Effect of Nonoccurrence of Conditions to the Effective Date.** If each of the conditions to the Effective Date is not satisfied or duly waived in accordance with sections 5.1, 5.2 and 5.3 of the Plan, then upon motion by the Debtors made before the time that each of such conditions has been satisfied or duly waived and upon notice to such parties in interest as the Bankruptcy Court may direct, the Confirmation Order shall be vacated by the Bankruptcy Court; provided, however, that, notwithstanding the filing of such motion, the Confirmation Order may not be vacated if each of the conditions to the Effective Date is either satisfied or duly waived before the Bankruptcy Court enters an order granting such motion. If the Confirmation Order is vacated pursuant to this section 5.4 of the Plan, (i) the Plan shall be null and void in all respects; and (ii) nothing contained in the Plan shall (a) constitute a waiver or release of any Claims by or against, or any Interest in, the Debtors or (b) prejudice in any manner the rights of the Debtors or any other party in interest.

Article VI
MISCELLANEOUS PROVISIONS

6.1. **Retention of Jurisdiction.** Following the Confirmation Date and the Effective Date, the Bankruptcy Court shall retain jurisdiction over the provisions of this Plan including Professional Fee Claims, and over all disputes and litigation which may be pending on the Confirmation Date, and any controversies which may arise hereafter which would affect the Debtors' ability to carry out the Plan, until all such disputes and litigation shall be concluded and the Plan shall be fully consummated. Further, the Bankruptcy Court shall retain jurisdiction for the purpose of the Distribution and the Return Distribution(s) and any related issues which may arise.

6.2. **Administrative Claims Incurred After the Confirmation Date.** Administrative Claims incurred by the Debtors after the Confirmation Date including Claims for Professionals' fees and expenses incurred after such date, may be paid by the Debtors in the ordinary course of business and without application for or Court approval.

6.3. **Avoidance Actions.** As of the Effective Date, the Debtors waive and release all Avoidance Actions.

6.4. **Governing Law.** Except as mandated by the Bankruptcy Code or Bankruptcy Rules, as applicable, the rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with the laws of the State of Delaware.

6.5. **Headings.** The headings of articles, paragraphs, and subparagraphs of the Plan are inserted for convenience only and shall not affect the interpretation of any provision of the Plan.

6.6. **Time.** Whenever the time for the occurrence or happening of an event as set forth in this Plan falls on a day that is not a Business Day, then the time for the next occurrence or happening of said event shall be extended to the next day which is a Business Day.

6.7. **Severability.** Should any provision of the Plan be determined to be unenforceable after the Effective Date such determination shall in no way limit or affect the enforceability and operative effect of any and all of the other provisions of the Plan.

6.8. **Revocation.** The Debtors reserve the right to revoke and withdraw the Plan prior to the entry of a Confirmation Order. If the Debtors revoke or withdraw the Plan, the Plan shall be deemed null and void and nothing contained herein shall be deemed to constitute a waiver or release of any claims by or against the Debtors, any other Person, or to prejudice in any manner the rights of such parties in any further proceedings involving the Debtors.

6.9. **Plan Controls.** In the event and to the extent that any provision of the Plan is inconsistent with the provisions of the Disclosure Statement, or any other agreement to be executed by any Person pursuant to the Plan, the provisions of the Plan shall control and take precedence. In the event of any inconsistency between any provision of any of the foregoing documents, and any provision of the Confirmation Order, the Confirmation Order shall control and take precedence.

6.10. **Statutory Fees.** The Debtors and/or the Chief Liquidating Officer shall pay all fees payable pursuant to 28 U.S.C. § 1930 through the entry of a Final Decree closing the Cases.

6.11. **Dissolution of the Creditors' Committee.** On the Effective Date, the Creditors' Committee (if one is appointed) shall be dissolved and their members shall be deemed released of any continuing duties, responsibilities and obligations in connection with the Cases or the Plan and its implementation, and the retention and employment of the Creditors' Committees' attorneys, accountants and other agents shall terminate, except with respect to: (i) any matters concerning the Distribution; (ii) the Final Fee Hearing; or (iii) any appeals of the Confirmation Order through the date such appeals are finally decided, settled, withdrawn or otherwise resolved.

6.12. **Claims Agent.** Epiq Bankruptcy Solutions, LLC, in its capacity as claims, noticing and balloting agent shall be relieved of such duties on the date of the entry of the Final Decree or upon written notice by the Debtors.

Article VII **FINAL FEE HEARING AND FINAL DECREE**

7.1. **The Professional Fee Claim Bar Date.** Any and all applications for the final allowance of Professional Fee Claims shall be Filed and served upon counsel to the Debtors, counsel to the Creditors' Committee (if one is appointed), counsel to the Purchaser, the United States Trustee, and all Persons on the Debtors' Bankruptcy Rule 2002 service list on or before the Professional Fee Claim Bar Date. Holders of Professional Fee Claims that are required to file and serve applications for final allowance of their Professional Fee Claims that do not file and serve such applications by the required deadline shall be forever barred from asserting such Claims against the Debtors, or their respective properties, and such Professional Fee Claims shall be deemed discharged as of the Effective Date.

7.2. **Final Fee Hearing.** A hearing on final allowance of Professional Fee Claims (the "**Final Fee Hearing**") shall be held as soon as practicable after the Professional Fee Claim Bar Date. The Debtors' counsel shall File a notice of the Final Fee Hearing. Such notice shall be served upon counsel for the Creditors' Committee (if one is appointed), counsel for the Purchaser, all Professionals, the United States Trustee and all parties on the Debtors' Bankruptcy Rule 2002 service list.

7.3. **Final Decree.** The Debtors' counsel shall File a motion requesting the entry of the Final Decree upon substantial consummation of the Cases.

Article VIII **REQUEST FOR CONFIRMATION**

8.1. **Request for Confirmation.** The Debtors request confirmation of this Plan in accordance with section 1129(a) and/or section 1129(b) of the Bankruptcy Code. If any impaired Class of Claims entitled to vote shall not accept the Plan by the requisite statutory majority provided in section 1126(c) of the Bankruptcy Code, the Debtors shall have the right to ask the Bankruptcy Court to confirm the Plan under section 1129(b) of the Bankruptcy Code. With respect to impaired Classes of Claims and Equity Interests that are deemed to reject the Plan, the Debtors

shall request that the Bankruptcy Court confirm the Plan pursuant to section 1129(b) of the Bankruptcy Code.

IN WITNESS WHEREOF, the Debtors have executed this Plan this 18th day of May, 2013.

TPO Hess Holdings, Inc., et al.

By: /s/ Jerry Haywood
Name: Jerry Haywood
Title: Interim Chief Executive Officer and
Chief Financial Officer

YOUNG CONAWAY STARGATT & TAYLOR, LLP

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Wilmington, Delaware 19801
Telephone: (302) 571-6600
Counsel for the Proposed Debtors

EXHIBIT B
ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT

BY AND AMONG

TPO HESS HOLDINGS, INC.,

TPO HESS INTERMEDIATE HOLDINGS I, INC.,

TPO HESS INTERMEDIATE HOLDINGS II, INC.,

DBH ASSOCIATES - OHIO LIMITED PARTNERSHIP,

DBH ASSOCIATES-ILLINOIS L.P.,

THE PRESS OF OHIO, INC.,

THE D.B. HESS COMPANY

AND

BANG PRINTING OF OHIO, INC.

May 17, 2013

TABLE OF CONTENTS

| | <u>Page</u> |
|--|--------------------|
| ARTICLE 1 DEFINITIONS..... | 2 |
| Section 1.1 Definitions | 2 |
| Section 1.2 Cross References | 7 |
| Section 1.3 Interpretive Provisions..... | 9 |
| ARTICLE 2 PURCHASE AND SALE | 10 |
| Section 2.1 Purchase and Sale | 10 |
| Section 2.2 Excluded Assets..... | 11 |
| Section 2.3 Assumed Liabilities | 12 |
| Section 2.4 Excluded Liabilities | 13 |
| Section 2.5 Assumption/Assignment of Contracts and Rights..... | 14 |
| Section 2.6 Purchase Price; Adjustments; Allocation of Purchase Price | 15 |
| Section 2.7 Deposit..... | 16 |
| Section 2.8 Closing..... | 17 |
| Section 2.9 Deliveries by Sellers..... | 17 |
| Section 2.10 Deliveries by Purchaser..... | 17 |
| ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF SELLERS..... | 18 |
| Section 3.1 Organization | 18 |
| Section 3.2 Corporate Authorization | 18 |
| Section 3.3 Governmental Authorization | 18 |
| Section 3.4 Noncontravention | 18 |
| Section 3.5 Required Consents..... | 19 |
| Section 3.6 Litigation..... | 19 |
| Section 3.7 Permits | 19 |
| Section 3.8 Intellectual Property Rights | 19 |
| Section 3.9 Compliance with Laws and Court Orders | 19 |
| Section 3.10 Property..... | 19 |
| Section 3.11 Employee Benefit Plans..... | 20 |
| Section 3.12 Title to the Purchased Assets..... | 20 |
| Section 3.13 Certain Fees | 20 |
| Section 3.14 Taxes..... | 20 |
| Section 3.15 Labor Matters..... | 20 |
| Section 3.16 Environmental Matters | 21 |
| Section 3.17 Contracts | 21 |
| Section 3.18 Inventory..... | 21 |
| Section 3.19 Accounts Receivable | 21 |
| ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF | |
| PURCHASER | 21 |
| Section 4.1 Organization | 21 |
| Section 4.2 Corporate Authorization | 22 |
| Section 4.3 Governmental Authorization | 22 |

TABLE OF CONTENTS
(Continued)

| | <u>Page</u> |
|---|--------------------|
| Section 4.4 Noncontravention | 22 |
| Section 4.5 Financial Wherewithal | 22 |
| Section 4.6 Litigation..... | 22 |
| Section 4.7 Certain Fees | 22 |
| Section 4.8 “AS IS” TRANSACTION..... | 22 |
| Section 4.9 Inspections | 23 |
| ARTICLE 5 COVENANTS OF SELLERS | 24 |
| Section 5.1 Conduct of the Business | 24 |
| Section 5.2 Access to Information..... | 25 |
| Section 5.3 Notices of Certain Events | 26 |
| ARTICLE 6 COVENANTS OF PURCHASER..... | 26 |
| Section 6.1 Confidentiality | 26 |
| Section 6.2 Post-Closing Access | 26 |
| Section 6.3 Insurance..... | 26 |
| Section 6.4 WARN Act | 27 |
| Section 6.5 Notices of Certain Events | 27 |
| Section 6.6 Casualty | 27 |
| ARTICLE 7 COVENANTS OF PURCHASER AND SELLERS..... | 27 |
| Section 7.1 Efforts; Further Assurances | 27 |
| Section 7.2 Certain Filings | 28 |
| Section 7.3 Public Announcements | 28 |
| Section 7.4 Bankruptcy Court Matters | 28 |
| Section 7.5 Notices | 31 |
| Section 7.6 Receivables and Post-Closing Receipts..... | 31 |
| Section 7.7 Name Change..... | 31 |
| ARTICLE 8 TAX MATTERS..... | 31 |
| Section 8.1 Tax Cooperation | 31 |
| Section 8.2 Transfer Taxes | 31 |
| Section 8.3 Property Taxes | 32 |
| Section 8.4 Apportionment..... | 32 |
| ARTICLE 9 EMPLOYEE MATTERS | 32 |
| Section 9.1 Employees and Offers of Employment..... | 32 |
| Section 9.2 Employee Plans | 33 |
| Section 9.3 Successor Employer..... | 34 |
| ARTICLE 10 CLOSING CONDITIONS..... | 34 |
| Section 10.1 Conditions to Obligations of Purchaser and Sellers | 34 |
| Section 10.2 Conditions to Obligations of Purchaser..... | 34 |

TABLE OF CONTENTS
(Continued)

| | <u>Page</u> |
|--|--------------------|
| Section 10.3 Conditions to Obligations of Sellers..... | 35 |
| ARTICLE 11 SURVIVAL | 35 |
| Section 11.1 Survival..... | 35 |
| ARTICLE 12 TERMINATION..... | 36 |
| Section 12.1 Grounds for Termination | 36 |
| Section 12.2 Effect of Termination | 37 |
| Section 12.3 Waiver; Exclusive Remedies..... | 38 |
| ARTICLE 13 MISCELLANEOUS..... | 38 |
| Section 13.1 Notices | 38 |
| Section 13.2 Waivers | 40 |
| Section 13.3 Binding Effect; Assignment | 40 |
| Section 13.4 Governing Law | 40 |
| Section 13.5 Jurisdiction..... | 40 |
| Section 13.6 Waiver of Jury Trial..... | 41 |
| Section 13.7 No Third Party Beneficiaries..... | 41 |
| Section 13.8 Entire Agreement; Amendments; Counterparts..... | 41 |
| Section 13.9 Headings | 41 |
| Section 13.10 Joint Drafting..... | 41 |
| Section 13.11 Expenses | 41 |
| Section 13.12 Injunctive Relief | 41 |
| Section 13.13 Disclosure Schedules..... | 42 |

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT dated as of May 17, 2013 (this "Agreement") is entered into by and among Bang Printing of Ohio, Inc., a Minnesota corporation ("Purchaser"), on the one hand and TPO Hess Holdings, Inc., a Delaware corporation, TPO Hess Intermediate Holdings I, Inc., a Delaware corporation, TPO Hess Intermediate Holdings II, Inc., a Delaware corporation, DBH Associates – Ohio Limited Partnership, an Ohio limited partnership, DBH Associates–Illinois L.P., an Illinois limited partnership, The Press of Ohio, Inc., a Minnesota corporation and The D.B. Hess Company, an Illinois corporation ("DB Hess") (each, a "Seller" and collectively, "Sellers"), on the other hand. Purchaser and Sellers are sometimes individually referred to in this Agreement as a "Party" and collectively as the "Parties."

RECITALS:

WHEREAS, Sellers operate a commercial printing business that provides print, related services and technologies (including prepress, print, mailing and digital solutions) to the education and commercial print markets, including catalog and publication inclusive of books and magazines, retail (direct mail and inserts), educational text and workbooks and digital printing and solutions (the "Business");

WHEREAS, Sellers desire to sell, transfer, convey, assign and deliver the Purchased Assets (as defined below) and to assign the Assumed Liabilities (as defined below), and Purchaser desires to purchase such Purchased Assets and to assume such Assumed Liabilities, upon the terms and subject to the conditions set forth herein;

WHEREAS, Sellers intend to file voluntary petitions for reorganization relief (the "Bankruptcy Cases", and the date of such filing, the "Petition Date"), pursuant to Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code"), and in connection with such filing, seek the entry of an order by the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") approving this Agreement and authorizing Sellers to consummate the transactions contemplated hereby and by the Ancillary Agreements (as defined below);

WHEREAS, the transactions contemplated by this Agreement (the "Transactions") will be consummated pursuant to an Approval Order (as defined below) to be entered in the Bankruptcy Cases under Sections 105, 363, 365 and other applicable provisions of the Bankruptcy Code, and the Transactions and this Agreement are subject to the approval of the Bankruptcy Court;

WHEREAS, as part of the Bankruptcy Cases, Sellers intend to solicit votes of creditors on a prepackaged plan of liquidation (the "Prepackaged Plan") and file the Prepackaged Plan and the related disclosure statement on or about the Petition Date; and

WHEREAS, as part of the Bankruptcy Cases, Sellers intend to request the Bankruptcy Court to schedule a hearing on confirmation of the Prepackaged Plan contemporaneously with a hearing to approve the Transactions;

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements, covenants, representations, warranties and promises set forth herein, and in order to prescribe the terms and conditions of such purchase and sale, intending to be legally bound, the Parties agree as follows:

ARTICLE 1

DEFINITIONS

Section 1.1 Definitions. The following terms, as used herein, have the following meanings:

(a) “Accounts Receivable” means all accounts and notes receivable (whether current or non-current) of Sellers in respect of goods shipped, products sold or services rendered prior to the Closing Date; provided, however, the term “Accounts Receivable” shall not include any amounts owed to any Seller by any other Seller.

(b) “Affiliate” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, such other Person.

(c) “Agreed Principles” means with respect to calculations of the Specified Matters Amount, and the preparation of the Closing Statement delivered in connection therewith, (i) Accounts Receivable shall be calculated net of any reserves for doubtful accounts and shall be mutually determined by Purchaser and Sellers in good faith in accordance with GAAP and in consideration of the criteria set forth on Schedule 1.1(c); (ii) Inventory shall be determined in accordance with GAAP, net of any reserves for defective, obsolete or damaged Inventory and net of any parts inventory for equipment and calculated based on a physical count of the Inventory to be conducted jointly and in good faith by Purchaser and Sellers and in consideration of the criteria set forth on Schedule 1.1(c); provided, however, that with respect to the amounts set forth in subsections (i) and (ii) hereof, together with any other amounts to be calculated in connection with determining the Specified Matters Amount, in each case, such amounts shall be calculated in good faith by Sellers in consultation with Purchaser and in accordance with GAAP.

(d) “Ancillary Agreement” means any agreement, document or instrument (other than this Agreement) that any Seller or Purchaser, as applicable, enters into or delivers in connection with the consummation of the transactions contemplated hereby.

(e) “Business Day” means a day other than Saturday, Sunday or other day on which commercial banks in New York or Delaware are authorized or required by Law to close.

(f) “Claim” means a “claim” as defined in Section 101 of the Bankruptcy Code.

- (g) “Closing Date” means the date of the Closing.
- (h) “Code” means the Internal Revenue Code of 1986.
- (i) “Confidentiality Agreement” means the Confidentiality Agreement, dated April 12, 2013, between TPO Hess Holdings, Inc. and Purchaser.
- (j) “Contract” means any written contract, purchase order, sales order, indenture, note, bond, loan, instrument, lease, commitment or other agreement.
- (k) “Cure Costs” means all amounts that must be paid and all obligations that otherwise must be satisfied, including pursuant to Sections 365(b)(1)(A) and (B) of the Bankruptcy Code, in connection with the assumption and/or assignment of the Assumed Contracts to Purchaser as provided herein.
- (l) “Customer Obligations” means the amounts set forth on Schedule 1.1(l) for advanced billings, customer deposits, prepaid customer postage, volume rebates and payment discrepancies as of March 31, 2013, as such Schedule shall be updated to reflect estimated balances of the foregoing as of the close of business on the day immediately prior to the Closing Date, as required pursuant to Section 2.6(b).
- (m) “Employee Benefit Plan” means any “employee benefit plan” (as defined in ERISA § 3(3)) and any other benefit or compensation plan, program, agreement or arrangement maintained, sponsored, or contributed or required to be contributed to by any Seller or any ERISA Affiliate or with respect to which any Seller or any ERISA Affiliate has any liability, other than a Multiemployer Plan.
- (n) “Employee Payments” means the amounts set forth on Schedule 1.1(n) for unpaid salary, wages, accrued vacation, benefit reimbursements (including with respect to accrued medical, vision and life insurance), flexible spending obligations, and applicable payroll taxes of Sellers as of March 31, 2013, as such Schedule shall be updated to reflect estimated balances of the foregoing as of the close of business on the day immediately prior to the Closing Date, as required pursuant to Section 2.6(b).
- (o) “Environmental Law” means all applicable Laws in effect on the date hereof relating to the environment, natural resources, employee health and safety (as it relates to exposure to Hazardous Materials) or the protection thereof, including but not limited to any applicable provisions of the Comprehensive Environment Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. § 5101 et. seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et. seq., the Toxic Substances Control Act, 15 U.S.C. § 2601 et. Seq., the Federal Insecticide, Fungicide and Rodenticide Act 7 U.S.C. § 136 et. seq., the Occupational Safety and Health Act, 29 U.S.C. §651 et. seq. (as it relates to exposure to Hazardous Materials), and the Oil Pollution Act of 1990, 33 U.S.C. § 2701 et. seq., and the regulations promulgated pursuant thereto, and all analogous state or local statutes.

(p) “Environmental Liabilities and Obligations” means all Liabilities arising from any impairment or damage to the environment or failure to comply with Environmental Laws in connection with ownership or operation of the Business prior to Closing, including Liabilities related to: (i) the transportation, storage, use, arrangement for disposal or disposal of Hazardous Materials or waste, (ii) the release of Hazardous Materials or waste; and (iii) any other pollution or contamination of the surface, substrata, soil, air, ground water, surface water or marine environments.

(q) “ERISA” means the Employee Retirement Income Security Act of 1974, and all Laws issued thereunder.

(r) “ERISA Affiliate” means any Person that, at any relevant time, is or was treated as a single employer with any Seller for purposes of Section 414(b), (c), (m) or (o) of the Code.

(s) “GAAP” means U.S. generally accepted accounting principles as in effect from time to time, consistently applied.

(t) “Governmental Authority” means any federal, state, local, municipal, foreign, supranational or other governmental or quasi-governmental authority of any nature (including any governmental agency, branch, bureau, commission, department, official or entity and any court or other tribunal), or any administrative, executive, judicial, legislative, police, regulatory or Taxing Authority, or arbitral body.

(u) “Hazardous Materials” means all substances defined as hazardous substances, hazardous wastes, hazardous materials, pollutants, toxic wastes, toxic substances or contaminants or otherwise regulated under Environmental Laws or with respect to which liability or standards of conduct are imposed under Environmental Laws.

(v) “Improvements” means, with respect to any Leased Real Property, all buildings, structures, systems, facilities, fixtures, easements, rights-of-way, privileges, improvements, licenses, hereditaments, appurtenances and all other rights and benefits belonging, or in any way related, to such Leased Real Property (but excluding personal property).

(w) “Intellectual Property Rights” means all of Sellers’ intellectual property rights (but, in each case, only to the extent such intellectual property rights are transferrable without the consent of any third party), other than Off-the-Shelf Software, including: (i) patents, patent applications and patent rights; (ii) trademarks, service marks, trade names, logos, trade dress, brand names, whether registered or unregistered, and service marks, domain names and all goodwill associated therewith; (iii) copyrights and copyright registrations; and (iv) know-how, trade secrets, proprietary processes and formulae.

(x) “Inventory” means all supplies, goods, finished goods, materials, raw materials, work in process, packaging materials and other accessories

related thereto owned by any Seller and used or usable in the Business, whether or not prepaid, and wherever located, held or owned.

(y) “Knowledge” means, with respect to Sellers, the actual (and not constructive or imputed) knowledge of Jerry Haywood, David Hunnius and Brendan Savage, in each case without any duty of inquiry.

(z) “Law” means any law, statute, ordinance, code, regulation, rule, principle of common law, Order, license or other requirement of any Governmental Authority.

(aa) “Leased Real Property” means all the land, Improvements, or other interests in real property leased, subleased or expressly licensed by Sellers (including any easements, rights or permits appurtenant thereto).

(bb) “Liabilities” means any and all debts, losses, liabilities, claims (including Claims as defined in the Bankruptcy Code), damages, expenses, fines, costs, royalties, proceedings, deficiencies or obligations of any nature, whether known or unknown, absolute, contingent, accrued or unaccrued, liquidated or unliquidated, or otherwise and whether due or to become due, and whether in contract, tort, strict liability or otherwise, and whether or not resulting from third party claims, and any reasonable out-of-pocket costs and expenses in connection therewith (including reasonable legal or other professional fees and expenses incurred in defending any action or in investigating any of the same or in asserting any rights thereunder or hereunder).

(cc) “Lien” means any mortgage, pledge, lien, deed of trust, deed to secure debt, security interest, right of first offer, right of first refusal, claim, charge, easement, restriction, covenant, option, title defect or other encumbrance of any kind or nature.

(dd) “Material Adverse Effect” means any change, event, circumstance or development that is or would reasonably be expected to be, materially adverse to the business, results of operations or condition (financial or otherwise) of the Business and the Purchased Assets, taken as a whole; provided, however, that “Material Adverse Effect” will not include, and the determination of the existence of a Material Adverse Effect shall not take into account, any of the following: (i) changes or conditions affecting the industries generally in which the Business operates; (ii) changes in national or international business, economic, political or social conditions (including any act of war, terrorism or armed conflict); (iii) changes in financial, banking or securities markets (including any disruption thereof or any decline in the price of securities generally or any market or index); (iv) changes in Law or GAAP or interpretations thereof; (v) the public announcement, pendency or completion of the Transactions; (vi) any action taken by any Seller as required by this Agreement; (vii) any failure, in and of itself, by the Sellers to meet any projections (but not the underlying cause that resulted in the failure to meet such projections); (viii) the identity of the Purchaser or its Affiliates; (ix) changes resulting from the filing, commencement and continuation of the Bankruptcy Cases (or

any litigation resulting therefrom); or (x) actions taken by Sellers pursuant to (or as contemplated by) Orders entered by the Bankruptcy Court in the Bankruptcy Cases.

(ee) “Multiemployer Plan” means any “multiemployer plan” (as defined in Section 3(37) of ERISA).

(ff) “Off-the-Shelf Software” means off-the-shelf computer software as such term is commonly understood, that is commercially available under non-discriminatory pricing terms.

(gg) “Order” means any order, decision, judgment, writ, injunction, decree, award or other determination of any Governmental Authority.

(hh) “Permits” means all notifications, licenses, permits, approvals, franchises, certificates, authorizations, operating permits, registrations, plans and other similar documents and authorizations issued by any Governmental Authority to any Seller and primarily used, or held for use, in connection with the operation of the Business or the Purchased Assets, in each case to the extent transferable without the consent of any Governmental Authority.

(ii) “Permitted Liens” means (i) Liens granted by Purchaser; (ii) non-monetary Liens that do not materially interfere with the ability of Purchaser to own and operate the Purchased Assets consistent with the past practices of the Business; (iii) Liens that arise under zoning, building codes, land use and other similar Laws; (iv) Liens for Taxes not yet due and payable without penalty or which are being contested in good faith by appropriate proceedings and for which adequate reserves with respect thereto are maintained on the books of Sellers; (v) with respect to leased or expressly licensed property (including the Leased Real Property), the terms and conditions of the lease or license applicable thereto to the extent constituting an Assumed Contract; (vi) all defects, exceptions, restrictions, easements, covenants, rights-of-way, encumbrances and other matters of record of whatever kind, nature or origin, other than monetary encumbrances, judgments and monetary liens of record, none of which shall constitute a Material Adverse Effect; (vii) Liens that pursuant to Section 363(f) of the Bankruptcy Code will be released from the Purchased Assets upon entry of the Approval Order; and (viii) other Liens that will be released on or prior to Closing.

(jj) “Person” means an individual, corporation, partnership, limited liability company, association, joint venture, trust or other entity or organization, including a Governmental Authority.

(kk) “Pre-Closing Tax Period” means (i) any Tax period ending on or before the Closing Date and (ii) with respect to a Tax period that commences before but ends after the Closing Date, the portion of such period up to and including the Closing Date.

(ll) “Property Taxes” means all real property Taxes, personal property Taxes, rent Taxes and similar ad valorem obligations levied with respect to the Purchased Assets for any Taxable period.

(mm) “Real Property Leases” means all of Sellers’ right, title and interest in all leases, subleases, licenses, concessions and other agreements and all amendments, extensions, renewals, guaranties and other agreements with respect thereto, pursuant to which Sellers hold a leasehold or subleasehold estate in, or are granted a license or other right to use the Leased Real Property.

(nn) “Specified Matters Amount” means, an amount equal to the aggregate amount of Accounts Receivable, plus the aggregate amount of Inventory, minus the aggregate amount of Employee Payments, and minus the aggregate amount of Customer Obligations, in each case, as of the close of business on the day immediately prior to the Closing Date and determined in accordance with the Agreed Principles and limited to the categories used to prepare the Statement of Specified Matters attached as Exhibit A.

(oo) “Target Specified Matters Amount” means \$19,750,000.

(pp) “Tax” means (i) any tax, governmental fee or other like assessment or charge of any kind whatsoever (including withholding on amounts paid to or by any Person), together with any interest, penalty, addition to tax or additional amount imposed by any Governmental Authority (a “Taxing Authority”) responsible for the imposition of any such tax (domestic or foreign), or (ii) liability for the payment of any amounts of the type described in clause (i) as a result of being party to any agreement or any express or implied obligation to indemnify any other Person.

(qq) “Tax Return(s)” means any report, return, declaration, claim for refund, information report or return or statement required to be supplied to a Taxing Authority in connection with Taxes, including any schedule or attachment thereto or amendment thereof.

Section 1.2 Cross References. Each of the following terms is defined in the Section set forth opposite such term:

| <u>Term</u> | <u>Section</u> |
|-------------------------------|----------------|
| Agreement..... | Preamble |
| Allocation Schedule..... | 2.6(c) |
| Apportioned Obligations | 8.3 |
| Approval Hearing | 7.4(b)(ii) |
| Approval Order..... | 7.4(c) |
| Assumed Contracts | 2.1(a) |
| Assumed Liabilities | 2.3 |
| Auction | 7.4(b)(ii) |
| Backup Bid | 7.4(b)(iv) |
| Backup Bidder | 7.4(b)(iv) |
| Bankruptcy Cases | Recitals |
| Bankruptcy Code | Recitals |
| Bankruptcy Court..... | Recitals |
| Bid Deadline | 7.4(b)(i) |

| <u>Term</u> | <u>Section</u> |
|--|-----------------------|
| Bidding Procedures..... | 7.4(a) |
| Bidding Procedures Order | 7.4(a) |
| Breakup Fee..... | 7.4(b)(iii) |
| Business | Recitals |
| Business Employees | 9.1(a) |
| Cash Purchase Price..... | 2.6(a) |
| Casualty | 6.6 |
| Closing..... | 2.8 |
| Closing Statement..... | 2.6(b) |
| Deposit..... | 2.7(a) |
| Deposit Escrow Account | 2.7(a) |
| Deposit Escrow Agreement..... | 2.7(a) |
| Downward Adjustment Amount..... | 2.6(b)(iii) |
| Escrow Agent..... | 2.7(a) |
| Excluded Assets..... | 2.2 |
| Excluded Contracts..... | 2.5(b) |
| Excluded Liabilities..... | 2.4 |
| Illinois Facility..... | 2.3(h) |
| Incremental Bid Amount | 7.4(b)(ii) |
| Initial Overbid..... | 7.4(b)(i) |
| Initial Overbid Amount..... | 7.4(b)(i)(1) |
| Material Permits..... | 3.7 |
| Nonassignable Contract..... | 5.6 |
| Ohio Facility | 2.3(h) |
| Outside Date | 12.1(b) |
| Parties | Preamble |
| Party..... | Preamble |
| Petition Date | Recitals |
| Post-Closing Tax Period..... | 8.3 |
| Prepackaged Plan..... | Recitals |
| Prevailing Bid | 7.4(b)(ii) |
| Purchase Price..... | 2.6(a) |
| Purchased Assets | 2.1 |
| Purchaser..... | Preamble |
| Qualified Bidder | 7.4(b)(ii) |
| Sale and Bidding Procedures Motion | 7.4(a) |
| Seller | Preamble |
| Sellers | Preamble |
| Senior Lender..... | 10.3(e) |
| Taxing Authority | 1.1(nn) |
| Threshold | 2.6(b) |
| Transactions..... | Recitals |
| Transfer Taxes | 8.2 |
| Transferred Employees..... | 9.1(a) |
| WARN Act | 6.4(a) |

Section 1.3 Interpretive Provisions. Unless the context expressly requires otherwise:

(a) the words “hereof,” “herein” and “hereunder” and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement;

(b) words defined in the singular shall have a comparable meaning when used in the plural, and vice versa;

(c) the words “Dollars” and “\$” mean U.S. dollars;

(d) references herein to a specific Article, Section, Subsection, Recital, Schedule or Exhibit shall refer, respectively, to Articles, Sections, Subsections, Recitals, Schedules or Exhibits of this Agreement;

(e) wherever the word “include,” “includes” or “including” is used in this Agreement, it shall be deemed to be followed by the words “without limitation;”

(f) references herein to any gender shall include each other gender;

(g) references herein to any Person shall include such Person’s heirs, executors, personal representatives, administrators, successors and assigns; provided, however, that nothing contained in this clause (g) is intended to authorize any assignment or transfer not otherwise permitted by this Agreement;

(h) with respect to the determination of any period of time, the word “from” means “from and including” and the words “to” and “until” each means “to but excluding;”

(i) the word “or” shall be disjunctive but not exclusive;

(j) references herein to any Law shall be deemed to refer to such Law as amended, reenacted, supplemented or superseded in whole or in part and in effect from time to time and also to all rules and regulations promulgated thereunder; and

(k) references herein to any contract mean such contract as amended, supplemented or modified (including any waiver thereto) in accordance with the terms thereof.

ARTICLE 2

PURCHASE AND SALE

Section 2.1 Purchase and Sale. Subject to the terms and conditions set forth in this Agreement, at the Closing, Sellers agree to sell, assign, transfer and deliver to Purchaser, and Purchaser agrees to purchase, acquire and accept from Sellers, on an “as is, where is” basis, “with all faults” and without any representation or warranty on the part of Sellers of any kind whatsoever (except as expressly set forth in Article 3, and subject to Section 4.8), all right, title and interest of Sellers as of the Closing Date in and to the Purchased Assets free and clear of all Liens (other than Permitted Liens and the Assumed Liabilities) to the maximum extent permitted by Section 363 of the Bankruptcy Code. “Purchased Assets” shall mean all of the direct and indirect right, title and interest of Sellers in and to all tangible and intangible assets, properties, rights, claims and Contracts used, useful or held for use in, or related to, the Business (but excluding the Excluded Assets) as of the Closing, including:

- (a) all rights of Sellers under the executory contracts and unexpired leases (including all Real Property Leases) of Sellers that are set forth on Schedule 2.1(a), as such Schedule may be updated prior to the Bid Deadline (collectively, the “Assumed Contracts”);
- (b) all Accounts Receivable and all Claims against third parties related to the collectability thereof;
- (c) all Inventory;
- (d) all tangible personal property, including all machinery, equipment, tools, vehicles, computers, mobile phones, personal digital assistants, computer equipment, hardware, peripherals, information technology infrastructure, telephone systems, furniture, fixtures, furnishings, office supplies, production supplies, other miscellaneous supplies, and other tangible personal property of any kind owned by Sellers, wherever located, including all such items which are located in any building, warehouse, office or other space leased, owned or occupied by Sellers or any other space where any of Sellers’ properties or any other assets may be situated;
- (e) all Permits, to the extent assignable, except any such Permit that is an Excluded Contract;
- (f) all Intellectual Property Rights;
- (g) except as set forth in Section 2.2(g), all rights of Sellers under or arising out of all insurance policies relating to the operation of the Business from and after the Closing (including all Claims arising thereunder), unless non-assignable as a matter of Law;
- (h) all goodwill and other intangible assets associated with or relating to, the Purchased Assets, including customer and supplier lists;

(i) other than Excluded Assets (and materials relating thereto), all books, records, files and papers of Sellers relating primarily to the Business, the Purchased Assets or the Transferred Employees, including equipment logs, operating guides and manuals, creative materials, advertising materials, promotional materials, studies, reports, correspondence, financial and accounting records, Tax records and other similar documents and records (all in the state in which such records and information currently exist); provided, that Sellers shall be entitled to retain copies of such books, records, files and papers;

(j) all rights of Sellers under non-disclosure or confidentiality, non-compete or non-solicitation agreements with employees and agents of Sellers or with third parties (other than with Purchaser or any of its Affiliates under this Agreement, the Confidentiality Agreement or any Ancillary Agreement), including non-disclosure or confidentiality, non-compete or non-solicitation agreements entered into in connection with the Auction;

(k) all rights of Sellers under or pursuant to all warranties, representations and guarantees made by suppliers, manufacturers and contractors to the extent relating to products sold or services provided, to Sellers or to the extent affecting any Purchased Assets other than any warranties, representations and guarantees pertaining to any Excluded Asset;

(l) except as set forth in Section 2.2(c) or as otherwise excluded pursuant to Section 2.2, causes of action, claims and demands of whatever nature with respect to the Purchased Assets or the use, function or value thereof; and

(m) except as set forth in Section 2.2(b), all security deposits for rent, electricity, telephone or otherwise and prepaid charges and expenses of Sellers that relate to the Purchased Assets.

Section 2.2 Excluded Assets. Notwithstanding any other provision of this Agreement to the contrary, the Purchased Assets shall not include, and Sellers shall retain all right, title and interest in and to the following (the "Excluded Assets"):

(a) all of Sellers' cash and cash equivalents on hand (including all undeposited checks) and in banks and other financial institutions;

(b) all retainer fees, deposits, advances and similar fees previously paid to third party advisors (including for legal, accounting, financial advisory, investment banking and consulting services);

(c) all avoidance Claims, whether arising under the Bankruptcy Code, applicable state Law or otherwise, whether asserted or unasserted, and the proceeds thereof;

(d) Sellers' corporate seals, stock record books, minute books, and organizational documents;

(e) any unexpired lease or executory contract not identified in this Agreement as an Assumed Contract, including the Excluded Contracts;

(f) all rights of Sellers in or under the Employee Benefit Plans, including all pre-payments, deposits and refunds thereunder and any assets maintained pursuant thereto or in connection therewith;

(g) all rights of Sellers under or arising out of (i) all insurance policies relating to the operation of the Business prior to the Closing, (ii) all insurance policies relating to the Excluded Assets and Excluded Liabilities and (iii) all directors and officers indemnification policies, in each case, including all Claims arising thereunder;

(h) all rights of Sellers arising under this Agreement or in connection with the Transactions;

(i) any Tax refund or reimbursement due to Sellers or their Affiliates;

(j) all amounts owed to any Seller by any one or more of such Seller's Affiliates (including the other Sellers);

(k) any shares of stock or other equity interests in any Seller;

(l) all bank accounts, deposit accounts, securities accounts, brokerage accounts and other accounts holding any cash, cash equivalents or securities belonging to Sellers;

(m) all causes of action, claims and counterclaims related to any Excluded Asset or any Excluded Liability; and

(n) all customer deposits, whether maintained in escrow or otherwise.

Section 2.3 Assumed Liabilities. Upon the terms and subject to the conditions of this Agreement, Purchaser agrees, effective at the time of the Closing, to assume, pay, perform and discharge, promptly when payment or performance is due or required, the following Liabilities of Sellers or the Business (the "Assumed Liabilities"):

(a) all Liabilities related to or arising under the Assumed Contracts, Permits and Intellectual Property Rights;

(b) all Cure Costs;

(c) any and all costs and expenses in connection with providing "adequate assurance of future performance" with respect to the Assumed Contracts (as contemplated by Section 365 of the Bankruptcy Code);

(d) all costs, expenses and liabilities pro-rated to Purchaser as set forth in Section 8.3;

(e) the Customer Obligations, not to exceed the amounts set forth in Schedule 1.1(l), as such Schedule shall be updated prior to the Closing Date;

(f) the Employee Payments, not to exceed the amounts set forth in Schedule 1.1(n), as such Schedule shall be updated prior to the Closing Date;

(g) as contemplated by Section 8.2, all Transfer Taxes;

(h) the real property Taxes set forth on Schedule 2.3(h) with respect to the Leased Real Property located at (i) 3765 Sunnybrook Road, Brimfield Township, Kent, Ohio 44240 (the "Ohio Facility") and (ii) 1150 and 1530 McConnell Road, Woodstock, Illinois 60098 (the "Illinois Facility"); and

(i) as contemplated by Section 6.4, all Liabilities under the WARN Act arising as a result of the Transactions (including any Liabilities resulting from the failure to provide adequate notice under the WARN Act).

Section 2.4 Excluded Liabilities. Notwithstanding anything to the contrary in this Agreement, Purchaser is assuming only the Assumed Liabilities and is not assuming any other Liability of Sellers, whether known or unknown presently in existence or arising hereafter. All other Liabilities will be retained by and remain Liabilities of Sellers (all such Liabilities other than the Assumed Liabilities are collectively referred to as the "Excluded Liabilities"). Without limiting the foregoing, Purchaser shall not be obligated to assume, and does not assume, and hereby disclaims all of the Excluded Liabilities, including all of the following Liabilities of Sellers:

(a) all Liabilities arising out of any of the Excluded Assets, including the Excluded Contracts;

(b) all Environmental Liabilities and Obligations;

(c) except for the Assumed Liabilities set forth in Section 2.3(g) and Section 2.3(h), all Liabilities related to Taxes or Property Taxes arising out of, relating to or in respect of the Business or the Purchased Assets for any Pre-Closing Tax Period;

(d) all Liabilities with respect to any third party advisory fees and expenses (including legal, accounting, financial advisory, valuation, investment banking and consulting fees and expenses) incurred by or on behalf of any Seller or its Affiliates;

(e) all Liabilities arising out of or in connection with claims, litigation and proceedings (whether instituted prior to or after Closing) for acts or

omissions by Sellers and their respective Affiliates that occurred, or arise from events that occurred, prior to the Closing Date;

(f) except for the Assumed Liabilities set forth in Section 2.3(f) and Section 2.3(i) all Liabilities in respect of Sellers' past, present and future employees under applicable Laws (including any severance, separation pay, change-of-control bonuses, stay bonuses or other payments or benefits to any employee of any Seller on account of any termination of such employee's employment on or before the Closing Date);

(g) except for the Assumed Liabilities set forth in Section 2.3(f), any Liability arising under any Employee Benefit Plan or any other employee benefit plan, policy, program, agreement or arrangement at any time maintained, sponsored or contributed to by Sellers or any ERISA Affiliate, or with respect to which Sellers or any ERISA Affiliate has any Liability including with respect to any underfunded pension Liability; and

(h) all Liabilities arising out of violations, or other non-compliance with any law(s), regulation(s), standard(s), guideline(s), enforcement order(s), or any other authority or requirement enforced by, or under the supervision of the Occupational Safety and Health Administration, where such violations or non-compliance occurred prior to the Closing Date.

Section 2.5 Assumption/Assignment of Contracts and Rights.

(a) To the maximum extent permitted by the Bankruptcy Code, the Assumed Contracts shall be assigned to and assumed by Purchaser at and as of the Closing pursuant to Section 365 of the Bankruptcy Code. Purchaser shall have sole responsibility to directly pay any Cure Costs and to provide adequate assurance of future performance under the Assumed Contracts in accordance with Section 365 of the Bankruptcy Code due in connection with the assumption and assignment of the Assumed Contracts, it being understood that any such payment of Cure Costs shall not be deemed to reduce or otherwise offset the Purchase Price in any manner. Schedule 2.5(a) sets forth Sellers' good-faith estimate of all Cure Costs for the Assumed Contracts as of the date hereof.

(b) From the date hereof through the Bid Deadline, Purchaser shall have the right, by written notice to Sellers, to either (i) designate any Contract not already so designated to be an Assumed Contract, or (ii) remove any Contract from Schedule 2.1(a) as an Assumed Contract. Any Contract not listed on, or initially listed on but subsequently removed by Purchaser from Schedule 2.1(a) prior to the Bid Deadline, shall not be designated as an Assumed Contract (each, an "Excluded Contract") for all purposes of this Agreement and all Liabilities and obligations under any Excluded Contract shall be Excluded Liabilities for all purposes of this Agreement.

(c) Sellers shall use their commercially reasonable efforts to obtain any consent, approval or amendment, if any, required to novate and/or assign any Assumed Contract to be assigned to Purchaser hereunder which the Bankruptcy Court determines is not able to be assumed and assigned under section 365(c) of the Bankruptcy Code (a “Nonassignable Contract”). Sellers shall keep Purchaser reasonably informed from time to time of the status of the foregoing and Purchaser shall cooperate with Sellers in this regard. To the extent that the rights of Sellers under any Nonassignable Contract, or under any other Purchased Asset, may not be assigned without the consent of a third party which has not been obtained prior to the Closing, this Agreement shall not constitute an agreement to assign the same, such Nonassignable Contract shall be an Excluded Contract and shall not be transferred hereunder and the Closing shall proceed with respect to the remaining Purchased Assets without any reduction in the Purchase Price. In no event shall the Sellers be required under this Agreement to pay any money or any other consideration to any third party or to any contract counter-party to obtain any consent, approval or amendment related to any Nonassignable Contract or any other Assumed Contract.

Section 2.6 Purchase Price; Adjustments; Allocation of Purchase Price.

(a) Purchase Price. In addition to the assumption of the Assumed Liabilities, in consideration for the sale, transfer and delivery of the Purchased Assets, at the Closing, Purchaser shall deliver to Sellers an amount equal to \$19,264,910.11 minus the Downward Adjustment Amount, if any, as determined in accordance with Section 2.6(b) (such amount, the “Cash Purchase Price”, and together with the assumption of Assumed Liabilities, the “Purchase Price”).

(b) Purchase Price Adjustment.

(i) No later than five (5) Business Days prior to the anticipated Closing Date, Sellers shall deliver to Purchaser a written statement setting forth an estimate of the Specified Matters Amount (the “Closing Statement”); provided, that if the Closing Date does not occur on the anticipated Closing Date, the Closing Statement shall be updated to reflect the actual Closing Date. The Closing Statement shall be prepared in good faith, in consultation with Purchaser, and in accordance with the Agreed Principles and be limited to the categories used to prepare the Statement of Specified Matters attached hereto as Exhibit A.

(ii) Upon delivery of the Closing Statement to Purchaser, Purchaser shall have two (2) Business Days to notify Sellers of any dispute related to the Closing Statement. Sellers and Purchaser shall use their best efforts to reach an agreement on any disputed items in the Closing Statement within two (2) Business Days after delivery of the dispute notice. If during such period, Purchaser and Sellers are unable to reach an agreement, they shall immediately bring all disputed items to the Bankruptcy Court for final resolution; provided, that Purchaser and Sellers shall be responsible for bearing any and all of their respective costs incurred in connection with the resolution of the disputed items.

(iii) In the event the Target Specified Matters Amount exceeds the Specified Matters Amount set forth on the Closing Statement by more than \$1,000,000 (the “Threshold”, and such amount in excess of the Threshold, the “Downward Adjustment Amount”), then the Cash Purchase Price shall be decreased by the Downward Adjustment Amount.

(iv) In connection with the preparation of the Closing Statement and the determination of the Downward Adjustment Amount, Sellers shall provide Purchaser and its advisors with reasonable access, during normal business hours, to the Business and the work papers, ledgers, accounting records, trial balances and such other information reasonably requested to evaluate the Closing Statement.

(c) Allocation of Purchase Price. Purchaser and Sellers agree that the Cash Purchase Price, applicable Assumed Liabilities and other relevant items shall be allocated in accordance with an allocation schedule (the “Allocation Schedule”) prepared jointly by Purchaser and Sellers prior to Closing, and prepared in accordance with Section 1060 of the Code and the regulations thereunder. Each of Purchaser and Sellers agrees to provide the other promptly with any other information required to complete the Allocation Schedule. Such Allocation Schedule shall be binding on Purchaser and Sellers for all purposes, including the reporting of gain or loss and determination of basis for income tax purposes, and each of the parties hereto agrees that it will file a statement (on IRS Form 8594 or other applicable form) setting forth such allocation with its federal and applicable state income tax returns and will also file such further information or take such further actions as may be necessary to comply with the Treasury Regulations that have been promulgated pursuant to Section 1060 of the Code and similar applicable state Laws and regulations.

Section 2.7 Deposit.

(a) On or prior to the date hereof, Purchaser and Sellers have entered into an escrow agreement (as amended, supplemented or otherwise modified from time to time, the “Deposit Escrow Agreement”) with a mutually agreed escrow agent (the “Escrow Agent”). Concurrently with the execution and delivery of the Deposit Escrow Agreement by Sellers, Purchaser and the Escrow Agent, Purchaser deposited \$1,926,491.01 (the “Deposit”) with the Escrow Agent by wire transfer of immediately available funds. The Escrow Agent shall hold the Deposit in a segregated, interest-bearing account (the “Deposit Escrow Account”) pursuant to the Deposit Escrow Agreement. All interest or other earnings on amounts held in the Deposit Escrow Account pursuant to the Deposit Escrow Agreement shall automatically become a part of the Deposit as such interest or earnings accrue.

(b) If the Closing takes place, the Escrow Agent shall deliver the Deposit to the Sellers at the Closing as partial payment of the Purchase Price. If this Agreement is validly terminated prior to the Closing, the Deposit in the Deposit Escrow Account shall be released and distributed to Purchaser or Sellers, as applicable, in accordance with Sections 12.2(b), 12.2(c) and 12.2(d).

Section 2.8 Closing. The closing (the “Closing”) of the purchase and sale of the Purchased Assets and the assumption of the Assumed Liabilities shall take place at the offices of Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, New York 10019-6064, no later than the later of (i) three (3) Business Days after satisfaction of the conditions set forth in Article 10 (other than those requiring a delivery, or the taking of other action, at the Closing) and (ii) the final determination of the Closing Statement in accordance with Section 2.6(b), or at such other time or place as Purchaser and Sellers may agree.

Section 2.9 Deliveries by Sellers. At the Closing, Sellers will deliver or cause to be delivered to Purchaser (unless delivered previously) the following:

- (a) duly executed bills of sale, motor vehicle titles, assignments and other transfer documents, which shall be sufficient to vest title to the Purchased Assets in the name of the Purchaser;
- (b) affidavits from an officer of each Seller, sworn under penalty of perjury, setting forth such Seller’s name, address and United States federal tax identification number, stating that such Seller is not a “foreign person” within the meaning of Section 1445 of the Code, and otherwise executed in accordance with Treasury Regulation Section 1.1445-2(b);
- (c) duly executed joint written letter instructing the Escrow Agent to release the Deposit to Sellers;
- (d) a certified copy of the Approval Order; and
- (e) such other documents and instruments as shall be reasonably necessary to effect the intent of this Agreement and consummate the transactions contemplated hereby.

Section 2.10 Deliveries by Purchaser. At the Closing, Purchaser will deliver or cause to be delivered to Sellers (unless previously delivered) the following:

- (a) the Cash Purchase Price less the Deposit;
- (b) duly executed assumption agreements and other documents pursuant to which the Purchaser shall assume and undertake to perform the Sellers’ obligations under the Assumed Contracts;
- (c) duly executed joint written letter instructing the Escrow Agent to release the Deposit to a bank account designated by Sellers at least one (1) day prior to the Closing Date; and
- (d) all other documents, instruments and writings reasonably requested by Sellers to be delivered by Purchaser at or prior to the Closing pursuant to this Agreement.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF SELLERS

Subject to the terms, conditions and limitations set forth in this Agreement, each of the Sellers hereby represents and warrants to Purchaser as of the date of this Agreement as follows:

Section 3.1 Organization. Each Seller is a corporation or limited partnership validly existing and in good standing (or the equivalent thereof) under the Laws of its jurisdiction of formation, and, subject to all necessary approvals of the Bankruptcy Court, has all requisite power and authority to own, lease or use, as the case may be, the Purchased Assets, to carry on in all material respects the Business as currently conducted and to consummate the Transactions.

Section 3.2 Corporate Authorization. Subject to entry by the Bankruptcy Court of the Bidding Procedures Order and the Approval Order in the Bankruptcy Cases, each Seller has all requisite power and authority to execute, deliver and perform this Agreement and to consummate the Transactions. Subject to entry by the Bankruptcy Court of the Bidding Procedures Order and the Approval Order in the Bankruptcy Cases, this Agreement constitutes a valid and binding obligation of the Sellers that is enforceable in accordance with its terms.

Section 3.3 Governmental Authorization. Except as disclosed on Schedule 3.3, the execution, delivery and performance by Sellers of this Agreement and the consummation of the Transactions by Sellers require no action by or in respect of, or filing with, any Governmental Authority other than (a) consents, approvals or authorizations of, or declarations or filings with, the Bankruptcy Court and (b) any such action or filing as to which the failure to make or obtain would not have a Material Adverse Effect.

Section 3.4 Noncontravention. Subject to entry by the Bankruptcy Court of the Bidding Procedures Order and the Approval Order in the Bankruptcy Cases, the execution, delivery and performance by Sellers of this Agreement and the consummation of the Transactions do not and will not (a) violate Sellers' articles or certificates of incorporation or organization, as amended, or bylaws, limited partnership agreements or comparable organizational documents (b) assuming compliance with the matters referred to in Section 3.3, materially violate any applicable Law, (c) except as to matters that would not reasonably be expected to have a Material Adverse Effect, constitute a default under or give rise to any right of termination, cancellation or acceleration of any right or obligation or to a loss of any benefit relating to any Purchased Asset to which any Seller is entitled under any provision of any agreement or other instrument binding upon such Seller except for breaches and defaults referred to in Section 365(b)(2) of the Bankruptcy Code, or (d) result in the creation or imposition of any Lien on any Purchased Asset, except for Permitted Liens and Assumed Liabilities or Liens that will be released at or prior to Closing.

Section 3.5 Required Consents. Subject to entry of the Approval Order, except as set forth on Schedule 3.5 and except for consents, approvals or authorizations of, or declarations or filings with, the Bankruptcy Court, there is no agreement or other instrument binding upon Sellers requiring a consent or other action by any Person as a result of the execution, delivery and performance of this Agreement, except such consents or actions as would not, individually or in the aggregate, have a Material Adverse Effect if not received or taken by the Closing Date.

Section 3.6 Litigation. Except as disclosed on Schedule 3.6, as of the date hereof, there is no material action, suit, investigation or proceeding pending against, or to the Knowledge of Sellers, threatened against or affecting, the Purchased Assets before any Governmental Authority.

Section 3.7 Permits. Schedule 3.7 sets forth a correct and complete list of all of the material Permits that are required for the ownership or use of the Purchased Assets (collectively, the "Material Permits") and such Material Permits are held by Sellers in full force and effect. Except as set forth on Schedule 3.7, to the Knowledge of Sellers, (a) each Seller is in material compliance with the terms and requirements of each Material Permit (other than defaults arising from the Bankruptcy Cases) and (b) no written notice of violation of any Material Permit has been received from any Governmental Authority and no proceeding is pending seeking to revoke or limit any such Material Permit.

Section 3.8 Intellectual Property Rights. Schedule 3.8(a) sets forth a correct and complete list of all Intellectual Property Rights subject to registration or a pending application for registration included in the Purchased Assets. Except as set forth on Schedule 3.8(b), to the Knowledge of Sellers, as of the date hereof there exist no outstanding challenges to the ownership and use by Sellers of the material Intellectual Property Rights used in the conduct of the Business as presently conducted, nor any alleged infringements of such material Intellectual Property Rights by third parties. Except as set forth on Schedule 3.8(b), none of the material Intellectual Property Rights included in the Purchased Assets have been licensed by Sellers to any other Person.

Section 3.9 Compliance with Laws and Court Orders. Except as set forth on Schedule 3.9, to the Knowledge of Sellers, none of the Sellers is in violation of any Law applicable to the Purchased Assets or the conduct of the Business, except for violations which would not reasonably be expected to have a Material Adverse Effect.

Section 3.10 Property. Sellers do not own any real property. Schedule 3.10 sets forth the address of all Leased Real Property and a description of all Real Property Leases. Sellers have furnished the Purchaser with correct and complete copies of all Real Property Leases, including all material modifications, amendments and supplements thereto. Each Lease is in full force and effect and constitutes the legal, valid and binding obligation of the applicable Seller party thereto, except as would not, individually or in the aggregate, reasonably be expected to be material to the Business.

Section 3.11 Employee Benefit Plans. Schedule 3.11(a) sets forth a list of Sellers' material Employee Benefit Plans. Correct and complete copies of each of the material Employee Benefit Plans have been made available to Purchaser. Except as set forth on Schedule 3.11(b), neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (i) result in any payment becoming due to any employee of any Seller or (ii) increase any benefits otherwise payable under any Employee Benefit Plan.

Section 3.12 Title to the Purchased Assets. Except as set forth on Schedule 3.12, Sellers have good, valid, and marketable title in and to, or a valid leasehold interest in (or license or other right to use) each of the Purchased Assets free and clear of all Liens (other than Assumed Liabilities and Permitted Liens), and upon consummation of the Transactions at the Closing, Purchaser will have acquired title in and to, or a valid leasehold interest in (or license or other right to use), each of the Purchased Assets, free and clear of all Liens (other than Assumed Liabilities and Permitted Liens) to the maximum extent permitted by Section 363 of the Bankruptcy Code.

Section 3.13 Certain Fees. Except as set forth on Schedule 3.13, Sellers have not incurred any liability for any investment banking fees, brokerage fees, finders' fees, or other similar fees in connection with this Agreement or the Transactions.

Section 3.14 Taxes.

(a) Each Seller has filed all material Tax Returns that it was required to file. All such Tax Returns were correct and complete in all material respects. All material Taxes owed by any Seller (whether or not shown on any Tax Return) have been paid.

(b) There is no dispute or claim concerning any material Tax liability of any Seller claimed or raised by any Taxing Authority in writing. No Seller has waived any statute of limitations in respect of any material Taxes or agreed to any extension of time with respect to a material Tax assessment or deficiency.

Section 3.15 Labor Matters.

(a) No Seller is a party to any collective bargaining agreement. To Sellers' Knowledge, there is no labor strike, slowdown, work stoppage or other material labor dispute relating to Sellers or, threatened against any Seller, except as would not individually or in the aggregate, reasonably be expected to be material to the Business. To Sellers' Knowledge, no union organizing or decertification efforts are underway or threatened.

(b) No Seller has received written notice of any material employment-related charge or material complaint against any Seller before the Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board or any other Governmental Authority and no Seller has received written

notice of any material threatened employment-related charge or complaint against any Seller by any such Governmental Authority.

(c) Except as set forth on Schedule 3.15(c), no “mass layoff” of employees of the Business has occurred that would result in any liabilities under the WARN Act or similar state or local Laws.

Section 3.16 Environmental Matters. To the knowledge of Sellers, except as set forth on Schedule 3.16, (a) the Purchased Assets are in material compliance with all Environmental Laws; (b) no Seller has received written notice of any proceeding relating to or arising under Environmental Laws with respect to the Purchased Assets or the Business, nor, to Sellers’ Knowledge, are any of the same being threatened in writing against any Seller or any real property leased by any Seller; (c) no Seller has received any written notice of, or entered into, any obligation, order settlement, judgment, injunction, or decree involving outstanding requirements relating to or arising under Environmental Laws; and (d) there has been no release of any Hazardous Materials into the environment at, onto, or from any property leased by any Seller which would reasonably be expected to result in material Liability, costs or claims relating to any Environmental Law.

Section 3.17 Contracts. Correct and complete copies of all material Contracts to which any Seller is a party or otherwise bound and that are used in or related to the Business or the Purchased Assets have been made available to Purchaser.

Section 3.18 Inventory. All of Sellers’ Inventory reflected on the Statement of Specified Matters attached hereto as Exhibit A was determined in accordance with GAAP and consists of a quality and quantity usable in the ordinary course of business consistent with past practice, except as would not reasonably be expected to be material to the Business. None of the Inventory has been consigned.

Section 3.19 Accounts Receivable. All of Sellers’ Accounts Receivable shown on the Statement of Specified Matters attached hereto as Exhibit A were the result of sales in the ordinary course of business materially consistent with past practice. To the Knowledge of Sellers, the Accounts Receivable represent monies due for goods sold or services rendered in the ordinary course of business materially consistent with past practices. To the Knowledge of Sellers, there are no material disputes regarding the collectability of any Accounts Receivable. The Sellers have not factored any of the Accounts Receivable.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to Sellers as follows:

Section 4.1 Organization. Purchaser is a corporation duly organized, validly existing and in good standing under the Laws of its jurisdiction of formation and has all corporate powers and all material governmental licenses, authorizations, permits, consents and approvals required to carry on its business as now conducted.

Section 4.2 Corporate Authorization. The execution, delivery and performance by Purchaser of this Agreement and the consummation of the Transactions are within the corporate powers of Purchaser and have been duly authorized by all necessary actions on the part of Purchaser. This Agreement constitutes a valid and binding agreement of Purchaser that is enforceable in accordance with its terms.

Section 4.3 Governmental Authorization. The execution, delivery and performance by Purchaser of this Agreement and the consummation of the Transactions by Purchaser require no action by or in respect of, or filing with, any Governmental Authority other than (a) consents, approvals or authorizations of, or declarations or filings with, the Bankruptcy Court and (b) any such action or filing as to which the failure to make or obtain would not have a material adverse effect on the Purchaser or its ability to close the Transactions.

Section 4.4 Noncontravention. Neither the execution and delivery of this Agreement nor the consummation of the Transactions will (a) conflict with or result in any breach of any provision of organizational documents of Purchaser; (b) violate, conflict with or result in a default (or any event which, with notice or lapse of time or both, would constitute a default) under, or give rise to any right of termination, cancellation or acceleration under, any of the terms, conditions or provisions of any note, mortgage, other evidence of indebtedness, guarantee, license, agreement, lease or other contract, instrument or obligation to which Purchaser is a party or by which Purchaser or any of its assets may be bound; or (c) violate any Law applicable to Purchaser, excluding from the foregoing clauses (b) and (c) such requirements, violations, conflicts, defaults or rights which would not adversely affect the ability of Purchaser to consummate the Transactions.

Section 4.5 Financial Wherewithal. Purchaser has, or at the time of Closing will have, on an unconditional basis sufficient cash on hand or other sources of immediately available funds to enable it to make (or cause to be made) all payments required to be made by it at Closing pursuant to this Agreement and to satisfy all other costs and expenses of Purchaser arising in connection with this Agreement and the Transactions.

Section 4.6 Litigation. There is no action, suit, investigation or proceeding pending against or, to the knowledge of Purchaser, threatened against or otherwise affecting Purchaser before any Governmental Authority that could reasonably be expected to affect the ability of Purchaser to consummate the Transactions.

Section 4.7 Certain Fees. Purchaser has not employed any broker, finder, investment banker, or other intermediary or incurred any liability for any investment banking fees, financial advisory fees, brokerage fees, finders' fees, or other similar fees in connection with this Agreement or the Transactions.

Section 4.8 "AS IS" TRANSACTION. PURCHASER HEREBY ACKNOWLEDGES AND AGREES THAT, NOTWITHSTANDING THE REPRESENTATIONS AND WARRANTIES EXPRESSLY PROVIDED IN

ARTICLE 3, THE CONSENT OF PURCHASER TO THE CLOSING SHALL CONSTITUTE A WAIVER BY PURCHASER OF ANY CONDITIONS TO CLOSING NOT SATISFIED AS OF THE CLOSING DATE, AND EFFECTIVE UPON AND FOLLOWING CLOSING SELLERS MAKE NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO ANY MATTER RELATING TO THE PURCHASED ASSETS OR ASSUMED LIABILITIES OR ANY PORTIONS THEREOF. WITHOUT IN ANY WAY LIMITING THE FOREGOING, AS OF THE CLOSING DATE AND EFFECTIVE UPON AND FOLLOWING CLOSING PURCHASER HEREBY ACKNOWLEDGES THAT SELLERS HEREBY DISCLAIM ANY WARRANTY, EXPRESS OR IMPLIED, OF, AND PURCHASER HEREBY ACCEPTS THE RISKS OF, (1) THE CONDITION, MERCHANTABILITY, HABITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ALL OR ANY PORTION OF THE PURCHASED ASSETS AND THE ASSUMED LIABILITIES (INCLUDING, WITH RESPECT TO ANY LEASED REAL PROPERTY, THE ENVIRONMENTAL CONDITION THEREOF), (2) THE PURCHASED ASSETS' COMPLIANCE OR NON-COMPLIANCE WITH LAWS, (3) THE VALUE, PROFITABILITY, FINANCEABILITY OR MARKETABILITY OF ALL OR ANY PORTION OF THE PURCHASED ASSETS AND ASSUMED LIABILITIES, (4) ANY PROJECTIONS, ESTIMATES OR BUDGETS DELIVERED TO OR MADE AVAILABLE TO PURCHASER OF FUTURE REVENUES, FUTURE RESULTS OF OPERATIONS (OR ANY COMPONENT THEREOF), FUTURE CASH FLOWS OR FUTURE FINANCIAL CONDITION (OR ANY COMPONENT THEREOF) OF THE BUSINESS OR THE FUTURE PROSPECTS OR OPERATIONS OF THE BUSINESS, AND (5) ANY OTHER INFORMATION OR DOCUMENTS MADE AVAILABLE TO PURCHASER OR ITS COUNSEL, ACCOUNTANTS OR ADVISORS WITH RESPECT TO THE BUSINESS. THE REPRESENTATIONS AND WARRANTIES OF SELLERS SHALL TERMINATE UPON AND WILL NOT SURVIVE THE CLOSING, AND ACCORDINGLY, UPON THE CLOSING DATE, PURCHASER WILL ACCEPT THE PURCHASED ASSETS AT THE CLOSING "AS IS," "WHERE IS," AND "WITH ALL FAULTS."

Section 4.9 Inspections. Purchaser is an informed and sophisticated purchaser, and has engaged expert advisors, experienced in the evaluation and purchase of assets such as the Purchased Assets and assumption of liabilities such as the Assumed Liabilities as contemplated hereunder. Purchaser acknowledges that Sellers have given Purchaser reasonable and open access to the key employees, documents and facilities of the Business, and Purchaser has evaluated such documents and information as it has deemed necessary to enable it to make an informed and intelligent decision with respect to the execution, delivery and performance of this Agreement. Purchaser further acknowledges that Purchaser has conducted an independent inspection and investigation of the physical condition of the Purchased Assets and all such other matters relating to or affecting the Purchased Assets as Purchaser deemed necessary or appropriate and that in proceeding with its acquisition of the Purchased Assets, Purchaser is doing so based solely upon such independent inspections and investigations, except for any representations and warranties expressly set forth in Article 3 (and not any other representations or warranties by Sellers or any of their respective Affiliates, agents, employees or brokers, express or implied).

ARTICLE 5

COVENANTS OF SELLERS

Sellers agree that:

Section 5.1 Conduct of the Business. From the date hereof until the earlier of the termination of this Agreement pursuant to Section 12.1 or the Closing Date, except (i) as disclosed on Schedule 5.1, (ii) with Purchaser's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed), (iii) as may be required by the Bankruptcy Court, (iv) for the consequences resulting from the continuation of the Bankruptcy Cases, or (v) as may be required or contemplated by this Agreement, Sellers:

- (a) with respect to the Business, shall not acquire a material amount of assets from any other Person, except for the acquisition of supplies and other materials in the ordinary course of business consistent with past practices;
- (b) shall not sell, lease, license, transfer or otherwise dispose of any Purchased Assets, except for the sale of Inventory in the ordinary course of business consistent with past practices;
- (c) other than as may be required to obtain debtor-in-possession financing in the Bankruptcy Cases, shall not permit any Purchased Assets to become subject, directly or indirectly, to any Lien (other than Permitted Liens) and any such Liens incurred with respect to debtor-in-possession financing in the Bankruptcy Cases shall be released from the Purchased Assets prior to or in connection with Closing;
- (d) other than as may be required to obtain debtor-in-possession financing in the Bankruptcy Cases, shall not assume or guarantee the obligations of any other Person;
- (e) shall not make any loans, advances or capital contributions to, or investment in, any other Person (other than advances to employees in the ordinary course of business);
- (f) except as may otherwise be required by applicable Law or the terms of any Employee Benefit Plan existing as of the date of this Agreement, shall not: (i) increase the compensation or fringe benefits of any present or former employee, director or manager of any Seller, (ii) grant any severance or termination pay to any present or former employee, director or manager of any Seller or (iii) establish, adopt, enter into, amend or terminate any Employee Benefit Plan;
- (g) shall not make any capital expenditures except (i) capital expenditures that do not exceed \$25,000 individually or \$75,000 in the aggregate or (ii) as required pursuant to Section 5.1(m);

(h) shall not enter into or assume any Contract material to the Business or materially amend, materially modify or terminate any Contract material to the Business, in each case other than in the ordinary course of business consistent with past practices;

(i) shall not agree or commit to do any of the foregoing covenants in Section 5.1(a)-5.1(h);

(j) shall notify Purchaser promptly in writing upon Sellers obtaining Knowledge of a Material Adverse Effect;

(k) shall comply in all material respects with all Laws applicable to Sellers or having jurisdiction over the Business or any Purchased Assets;

(l) shall use commercially reasonable efforts to (i) conduct the Business in substantially the same manner as conducted as of the date of this Agreement, to the extent reasonably feasible (ii) preserve the existing business organization and management of the Business, to the extent reasonably feasible, (iii) keep available the services of the employees of the Business, to the extent reasonably feasible and subject to voluntary employee attrition and illness, (iv) maintain the existing relations with customers, distributors, suppliers, creditors, business partners and others having business dealings with the Business, to the extent reasonably feasible, and (v) refrain from changing in any material respect any of their product prices or pricing policies (e.g. discount policies) for any of their products except as shall be necessary to meet competition or customer requirements; and

(m) shall, (i) to the extent consistent with past practices, maintain, preserve and protect all of their material Intellectual Property, and (ii) preserve the remainder of their material assets (including all Improvements and all tangible personal property), in use or useful in the conduct of the Business, and keep the same in good repair, working order and condition (taking into consideration ordinary wear and tear) and from time to time make, or cause to be made, necessary repairs, replacements and improvements thereto consistent with past practices.

Section 5.2 Access to Information. Sellers shall provide Purchaser and its representatives reasonable access, upon reasonable advance notice and during normal business hours, to the facilities, offices and personnel of Sellers and to the books and records of Sellers related to the Business or the Purchased Assets as Purchaser shall reasonably request; provided, that (i) any such access shall be conducted in a manner not to unreasonably interfere with the businesses or operations of the Sellers, (ii) such access shall not, based on advice of counsel to the Sellers, result in the waiver of any attorney-client privilege (provided, that in such event the parties shall use their commercially reasonable efforts to cooperate to permit disclosure in a manner consistent with the preservation of such attorney-client privilege) and (iii) neither Purchaser nor any of its representatives shall conduct or cause any invasive sampling or testing with respect to the Leased Real Property without the prior written consents of the Sellers.

Section 5.3 Notices of Certain Events. To the extent permitted by applicable Law, Sellers shall give prompt notice to Purchaser of any event or circumstance that would reasonably be expected to result in any representation or warranty of Sellers to be untrue in any material respect or any covenant or agreement of Sellers to not be performed or complied with in any material respect such that any condition set forth in Section 10.2(a) or Section 10.2(c) would not be satisfied if such event or circumstance existed on the Closing Date.

ARTICLE 6

COVENANTS OF PURCHASER

Purchaser agrees that:

Section 6.1 Confidentiality. Prior to the Closing Date and after any termination of this Agreement, the Confidentiality Agreement shall remain in full force and effect.

Section 6.2 Post-Closing Access. On and after the Closing Date, upon reasonable advance notice, Purchaser will afford promptly to Sellers (and their successors and assigns) and their counsel, advisors and other agents reasonable access during normal business hours to Purchaser's properties, books, records, employees, auditors and counsel to the extent related to the Purchased Assets and to the extent necessary for financial reporting and accounting matters, employee benefits matters, the preparation and filing of any Tax returns, reports or forms, the defense of any Tax audit, Claim or assessment, the reconciliation of Claims in the Bankruptcy Cases, to permit Sellers to determine any matter relating to its rights and obligations hereunder, any other reasonable business purpose related to the Excluded Assets or Excluded Liabilities, or in connection with addressing any other issues arising in connection with or relating to the Bankruptcy Cases; provided, however, that any such access by Sellers shall not unreasonably interfere with the conduct of the business of Purchaser. Sellers will hold, and will use their commercially reasonable efforts to cause their officers, directors, employees, accountants, counsel, consultants, advisors and agents to hold, in confidence, unless compelled to disclose by judicial or administrative process or by other requirements of Law, all confidential documents and information concerning Purchaser or the Business provided to them pursuant to this Section 6.2.

Section 6.3 Insurance. To the extent that any insurance policies of Sellers or any of their Affiliates cover any loss, liability, Claim, damage or expense relating to any Purchased Assets and such insurance policies continue after the Closing to permit Claims to be made thereunder with respect to events occurring prior to the Closing, Purchaser shall cooperate with Sellers in good faith in submitting and pursuing such Claims for the benefit of Sellers, at no cost or expense to Purchaser.

Section 6.4 WARN Act.

(a) Purchaser shall assume all obligations and liabilities for the provision of notice or payment in lieu of notice and any applicable penalties under the Worker Adjustment and Retraining Notification Act (the "WARN Act") or any similar state or local Law arising as a result of the Transactions (including the employee terminations required by the last sentence of Section 9.1(a)). Purchaser hereby agrees to indemnify Sellers against and hold Sellers harmless from any and all expenses, losses, Claims and damages incurred or suffered by Sellers with respect to the WARN Act or any similar state or local Law arising as a result of the Transactions. Notwithstanding the foregoing, Sellers hereby agree to issue notices under the WARN Act with respect to all of their employees located at the Illinois Facility no later than the close of business on May 20, 2013.

(b) Purchaser shall not, at any time prior to ninety (90) days after the Closing Date, effectuate a "plant closing" or "mass layoff" as those terms are defined in the WARN Act without complying fully with the WARN Act. Purchaser hereby agrees to indemnify Sellers against and agrees to hold Sellers harmless from any and all expenses, losses, Claims and damages incurred or suffered by Sellers with respect to the WARN Act or any similar state or local Law arising as a result of any such "plant closing" or "mass layoffs" effectuated within ninety (90) days after the Closing Date.

Section 6.5 Notices of Certain Events. To the extent permitted by applicable Law, Purchaser shall give prompt notice to Sellers of any event or circumstance that would reasonably be expected to result in any representation or warranty of Purchaser to be untrue in any material respect or any covenant or agreement of Purchaser to not be performed or complied with in any material respect such that any condition set forth in Section 10.3(a) or Section 10.3(c) would not be satisfied if such event or circumstance existed on the Closing Date.

Section 6.6 Casualty. If between the date of this Agreement and the Closing Date any of the Purchased Assets shall be destroyed or damaged in whole or in part by fire, earthquake, flood, other casualty or any other cause ("Casualty"), and such Casualty results in a Material Adverse Effect, then Purchaser shall have the option to either (a) acquire such Purchased Assets on an "as is" basis and take an assignment from Sellers of all insurance proceeds payable to Sellers in respect of the Casualty, or (b) terminate this Agreement and the transactions contemplated hereby.

ARTICLE 7

COVENANTS OF PURCHASER AND SELLERS

Purchaser and Sellers agree that:

Section 7.1 Efforts; Further Assurances. Subject to the terms and conditions of this Agreement, Purchaser and Sellers will use their respective commercially reasonable efforts to take, or cause to be taken, all actions and to do, or

cause to be done, all things necessary or desirable under applicable Laws to consummate the Transactions contemplated by this Agreement; provided, however, Sellers shall be entitled to take such actions as are required in connection with the discharge of their fiduciary duties during the Bankruptcy Cases (including soliciting higher or better offers for the Purchased Assets). Sellers and Purchaser agree to execute and deliver such other documents, certificates, agreements and other writings and to take such other actions as may be necessary or desirable in order to vest in Purchaser title to the Purchased Assets and to evidence the assumption by Purchaser of the Assumed Liabilities.

Section 7.2 Certain Filings. Sellers and Purchaser shall cooperate with one another in good faith (a) in determining whether any action by or in respect of, or filing with, any Governmental Authority is required, or any actions, consents, approvals or waivers are required to be obtained from parties to any Assumed Contracts or Intellectual Property Rights, in connection with the consummation of the Transactions and (b) in taking such actions or making any such filings, furnishing information required in connection therewith and seeking timely to obtain any such actions, consents, approvals or waivers.

Section 7.3 Public Announcements. Purchaser shall not make any public announcements or statements concerning the Transactions without the prior written consent of Sellers. Purchaser acknowledges and agrees that Sellers may provide copies of this Agreement to parties in interest in the Bankruptcy Cases and to those parties to whom Sellers determine it is necessary to provide copies in connection with soliciting higher or better bids for the Purchased Assets or as otherwise necessary or desirable in connection with the Bankruptcy Cases. Sellers also shall be entitled to file copies with the Bankruptcy Court or as otherwise required by Law.

Section 7.4 Bankruptcy Court Matters.

(a) Filing of Sale and Bidding Procedures Motion. As promptly as practicable following the execution and delivery of this Agreement, Sellers shall file with the Bankruptcy Court a motion (the “Sale and Bidding Procedures Motion”) seeking, among other things, the entry of (i) the Approval Order, and (ii) an Order (the “Bidding Procedures Order”) approving the bidding procedures set forth in Section 7.4(b) (the “Bidding Procedures”). Sellers shall provide Purchaser with a draft of the Sale and Bidding Procedures Motion at least one (1) day prior to filing with the Bankruptcy Court.

(b) Bidding Procedures. In the Sale and Bidding Procedures Motion, Sellers shall seek, among other things, approval of the following Bidding Procedures, which shall be incorporated into the Bidding Procedures Order:

(i) Bid Deadline and Initial Overbids. Any third party (other than Purchaser) that is interested in acquiring all or substantially all of the Purchased Assets must submit an “Initial Overbid” in conformance with this Section 7.4(b) at or prior to July 10, 2013 (the “Bid Deadline”). Any such Initial Overbid must:

(1) Contain a signed definitive purchase agreement (together with a copy of the signed agreement that is marked to show changes from this Agreement) with, at a minimum, the following requirements: (w) having substantially identical terms and conditions as this Agreement (including being subject to confidentiality provisions no less favorable to the Company in any meaningful respect than those contained in the Confidentiality Agreement), except with higher and better consideration; (x) containing terms and conditions no less favorable to Sellers' estates in the aggregate than the terms and conditions in this Agreement (provided that no Initial Overbid shall provide for the payment to the overbidder of any breakup fee, topping fee, expense reimbursement or other similar arrangement); (y) provide for a purchase price in an amount equal to or greater than the sum of (1) the Purchase Price, (2) the Breakup Fee, and (3) \$500,000 (the "Initial Overbid Amount"); (z) not be subject to any (1) financing contingency, (2) contingency relating to the completion of unperformed due diligence, (3) contingency relating to the approval of the overbidder's board of directors or other internal approvals or consents, or (4) any conditions precedent to the overbidder's obligation to purchase the Purchased Assets other than those included in this Agreement; and (z) affirmatively address its proposed treatment of the Ohio Facility, including any obligations arising under or in connection with that certain Lease Agreement by and between The Press of Ohio, Inc., as tenant, and AGNL Hess Ohio, L.L.C., as landlord (as amended, modified, and/or restated from time to time);

(2) Include a cashier's or certified check in the amount of \$1,926,491.01 to be held as a deposit; and

(3) To the extent not previously provided to Sellers, be accompanied by evidence satisfactory to Sellers in their commercially reasonable discretion that the overbidder is willing, authorized, capable and qualified financially, legally and otherwise, of unconditionally performing all obligations contained in the definitive asset purchase agreement delivered pursuant to Section 7.4(b)(i)(1).

(ii) Auction. In the event that Sellers timely receive a conforming Initial Overbid from a prospective purchaser as described above (a "Qualified Bidder"), then Sellers will conduct an auction (the "Auction") with respect to the sale of the Purchased Assets. In order to participate in the Auction, each prospective purchaser shall be required to comply with the requirements of the Bidding Procedures and to submit an Initial Overbid that is timely and that complies in all respects with the Bidding Procedures. At the Auction, Qualified Bidders and/or Purchaser may submit successive bids in increments of at least \$250,000 greater than the prior bid, or such lesser amounts as shall be determined by Sellers in their sole discretion (the "Incremental Bid Amount"), for the purchase of the Purchased Assets until there is only one offer that Sellers determine, subject to Bankruptcy Court approval, is the highest or best offer (the "Prevailing Bid"). When bidding at the Auction, Purchaser shall receive a "credit" in the amount of the Breakup Fee. All bidding for the Purchased Assets will be concluded at the Auction and there will be no further bidding at the Bankruptcy Court hearing held in the Bankruptcy Cases to approve the highest or best bid for the Purchased Assets (the "Approval Hearing"). If no conforming Initial Overbid from a Qualified Bidder shall

have been received at or prior to the Bid Deadline, the Auction will not be held and the Approval Hearing will proceed with respect to this Agreement.

(iii) Breakup Fee. Upon the consummation of a sale of all or substantially all of the Purchased Assets to any third party (other than Purchaser) who submits a Prevailing Bid for the Purchased Assets, Sellers shall pay to Purchaser cash or other immediately available funds in an amount equal to \$600,000 (the “Breakup Fee”); provided, however, the Breakup Fee shall not be due and payable if Purchaser has committed a material breach of this Agreement prior to the consummation of such sale to the third party. The Parties agree that the Breakup Fee shall be the full and liquidated damages of Purchaser arising out of any termination of this Agreement pursuant to Section 12.1(g). The provisions of this Section 7.4(b)(iii) shall survive any termination of this Agreement pursuant to Section 12.1(g). The Breakup Fee shall be treated as an administrative expense claim in the Bankruptcy Cases, shall be paid to Purchaser within three (3) Business Days following the closing of such sale to the third party, and shall be paid to Purchaser prior to the payment of the proceeds of such sale to any third party asserting a Lien on the Purchased Assets (and no Lien of any third party shall attach to the portion of the sale proceeds representing the Breakup Fee).

(iv) Backup Bid. At the conclusion of the Auction, Sellers shall identify and certify the bid that constitutes the second highest or best offer for the Purchased Assets (the “Backup Bid” and the Qualified Bidder submitting such bid, the “Backup Bidder”). The Backup Bidder may be required by Sellers to close on the Backup Bid within twenty (20) days of the conclusion of the Auction. In the event that the Backup Bidder fails to close on the transaction contemplated in the Backup Bid, Sellers shall be permitted to retain the Backup Bidder’s good faith deposit as liquidated damages.

(c) Bankruptcy Court Approval of Sale. Sellers and Purchaser shall each use their commercially reasonable efforts, and shall cooperate, assist and consult with each other, to secure the entry of an Order (the “Approval Order”) of the Bankruptcy Court in the Bankruptcy Cases (i) approving this Agreement, (ii) authorizing the sale of the Purchased Assets pursuant to Section 363 of the Bankruptcy Code, (iii) authorizing the assumption and assignment of the Assumed Contracts pursuant to Section 365 of the Bankruptcy Code and (iv) authorizing the Transactions; provided, however, Sellers shall be entitled to take such actions as may be required in connection with the discharge of their fiduciary duties in the Bankruptcy Cases (including soliciting higher or better offers for the Purchased Assets). In connection with the assumption and assignment of the Assumed Contracts pursuant to Section 365 of the Bankruptcy Code, Purchaser shall take all actions required to provide “adequate assurance of future performance” by Purchaser under the Assumed Contracts after the Closing. Sellers and Purchaser shall consult with one another in good faith regarding pleadings that either of them intends to file, or positions either of them intends to take, with the Bankruptcy Court in connection with or that might reasonably affect the Bankruptcy Court’s entry of the Approval Order.

Section 7.5 Notices. If at any time (a) Purchaser becomes aware of any material breach or violation by Sellers of any representation, warranty, covenant or agreement contained herein and such breach is capable of being cured by Sellers, or (b) Sellers become aware of any material breach or violation by Purchaser of any representation, warranty, covenant or agreement contained herein and such breach is capable of being cured by Purchaser, the Party becoming aware of such breach or violation shall promptly notify the other Party, in accordance with Section 13.1, in writing of such breach or violation. Upon such notice of breach or violation, the breaching Party shall have until the earlier of (y) ten (10) days after receiving such notice, and (z) the Outside Date, to cure such breach or violation prior to the exercise of any remedies in connection therewith.

Section 7.6 Receivables and Post-Closing Receipts. If, following the Closing, any Seller shall receive payment in respect of any Accounts Receivable that is included in the Purchased Assets, then such Seller shall hold such amounts in trust for Purchaser and shall promptly forward such payments to Purchaser. If, following the Closing, Purchaser shall receive payment in respect of any Excluded Asset, then Purchaser shall hold such amounts in trust for Sellers and shall promptly forward such payments to Sellers.

Section 7.7 Name Change. Within ten (10) days after the Closing Date, Sellers shall use commercially reasonable efforts to take such corporate and other actions necessary to change their company names to ones that are not similar to, or confusing with, their current names, including any necessary filings required by the law of the state of their respective organization, and shall promptly thereafter provide Purchaser with written evidence of such name changes. Sellers shall also file a motion with the Bankruptcy Court to change the caption of the Bankruptcy Cases to reflect such name changes.

ARTICLE 8

TAX MATTERS

Section 8.1 Tax Cooperation. Purchaser and Sellers agree to furnish or cause to be furnished to each other, upon request, as promptly as practicable, such information and assistance relating to the Business and the Purchased Assets (including access to books and records) as is reasonably necessary for the preparation and filing of all Tax returns, the making of any election relating to Taxes, the preparation for any audit by any Taxing Authority, and the prosecution or defense of any Claim, suit or proceeding relating to any Tax. Sellers and Purchaser shall cooperate with each other in good faith in the conduct of any audit or other proceeding relating to Taxes involving the Purchased Assets or the Business.

Section 8.2 Transfer Taxes. Any and all sales, use, transfer, recording or other similar taxes or charges (the "Transfer Taxes") assessed at Closing or at any time thereafter on the transfer of any Purchased Assets or Assumed Liabilities shall be paid by

Purchaser. Purchaser and Sellers shall cooperate in providing each other with any appropriate resale exemption certifications and other similar documentation.

Section 8.3 Property Taxes. All Property Taxes (other than Property Taxes assumed under Section 2.3(h) with respect to the Ohio Facility and the Illinois Facility) for a Tax period which includes (but does not end on) the Closing Date (collectively, the “Apportioned Obligations”) shall be apportioned between Sellers, on the one hand, and Purchaser, on the other hand, based on the number of days of such Tax period included in the Pre-Closing Tax Period and the number of days of such Tax period after the Closing Date (with respect to any such Tax period, the “Post-Closing Tax Period”). Sellers shall be liable for the proportionate amount of such Property Taxes that is attributable to the Pre-Closing Tax Period, and Purchaser shall be liable for the proportionate amount of such Property Taxes that is attributable to the Post-Closing Tax Period.

Section 8.4 Apportionment. Apportioned Obligations or Transfer Taxes shall be timely paid, and all applicable filings, reports and returns shall be filed, as provided by applicable Law. The party required by applicable Law to file any such Tax Return shall (i) prepare such Tax Return, (ii) submit such Tax Return to the other party for its approval (in writing) at least thirty (30) days prior to the applicable due date; provided, that if the parties are unable to agree on the contents of such Tax Return within fifteen (15) days following receipt of such Tax Return by the non-filing party, the parties shall retain a mutually agreed upon accounting firm of national repute to resolve such dispute, and the fees and expenses of such accounting firm shall be borne one-half by Sellers and one-half by Purchaser, (iii) file such Tax Return and (iv) pay such Taxes to the appropriate Governmental Authority. The paying Party shall be entitled to reimbursement from the non-paying Party in accordance with Section 8.2 or 8.3, as the case may be. Upon payment of any such Apportioned Obligation or Transfer Tax, the paying Party shall present a statement to the non-paying Party setting forth the amount of reimbursement to which the paying Party is entitled under Section 8.2 or 8.3, as the case may be, together with such supporting evidence as is reasonably necessary to calculate the amount to be reimbursed. Sellers shall have no liability for Property Taxes that are not submitted by Purchaser for reimbursement within ninety (90) days of the end of the applicable Post-Closing Tax Period. The non-paying Party shall make such reimbursement promptly but in no event later than ten (10) days after the presentation of such statement. Any payment not made within such time shall bear interest at the rate per annum equal to the prime rate of interest reported in *The Wall Street Journal* on the Closing Date.

ARTICLE 9

EMPLOYEE MATTERS

Section 9.1 Employees and Offers of Employment.

(a) As of the Closing Date, Purchaser shall have the right, but not the obligation, to employ or engage as contractors any or all of the employees of

Sellers whose job function primarily relates to the Business (“Business Employees”) as Purchaser determines. Any Business Employees actually employed by Purchaser are referred to herein as “Transferred Employees.” The terms of employment offered to any Business Employees shall be determined by Purchaser in its sole discretion and shall be contingent upon the issuance of the Approval Order by the Bankruptcy Court. Purchaser shall deliver a list of the Business Employees it intends to hire no later than ten (10) days prior to the Closing Date. As of the Closing, the employment of all of the Transferred Employees shall be terminated by the applicable Seller; provided, however, Sellers shall be permitted to retain such employees as they deem reasonably necessary to administer or otherwise wind-down their respective Bankruptcy Cases.

(b) Purchaser shall maintain employee records transferred to Purchaser hereunder for a period of not less than four (4) years and during that period will afford Sellers reasonable access to such records during Purchaser’s normal business hours.

(c) Unless such Transferred Employee is a party to an employment contract included in the Assumed Contracts, nothing contained in this Agreement shall confer upon any Transferred Employee any right with respect to continuance of employment by Purchaser, nor shall anything herein interfere with the right of Purchaser to terminate the employment of any Transferred Employees at any time, with or without notice, or restrict Purchaser, in the exercise of its business judgment in modifying any of the terms or conditions of employment of the Transferred Employees after the Closing.

Section 9.2 Employee Plans.

(a) Following the Closing Date, (i) Purchaser shall ensure that no waiting periods, exclusions or limitations with respect to any pre-existing conditions, evidence of insurability or good health or actively-at-work exclusions are applicable to any Transferred Employee or their dependents or beneficiaries under any welfare benefit plans in which such employees may be eligible to participate; and (ii) Purchaser shall provide or cause to be provided that any costs or expenses incurred by employees of Sellers (and their dependents or beneficiaries) up to and including the Closing Date shall be taken into account for purposes of satisfying applicable deductible, co-payment, coinsurance, maximum out-of-pocket provisions and like adjustments or limitations on coverage under any such welfare benefit plans.

(b) With respect to each employee benefit plan, policy and practice, including severance, vacation and paid time off plans, policies and practices, sponsored or maintained by Purchaser or its affiliates, Purchaser shall grant, or cause to be granted, to all Transferred Employees from and after the Closing Date credit for all service with Sellers and its predecessors prior to the Closing Date for all purposes (including eligibility to participate, vesting credit, eligibility to commence benefits, benefit accrual, early retirement subsidies and severance). For the avoidance of doubt, and without limiting the foregoing, Purchaser shall accrue on behalf of Transferred Employees, all earned and unpaid vacation of Transferred Employees earned during 2013

pursuant to the 2013 Vacation Benefits Policy of the Sellers.

Section 9.3 Successor Employer. Purchaser shall use its best efforts to apply the successor employer provisions of Treasury Regulation Section 31.3121(a)(1)-1(b) with respect to each employee hired by Purchaser for the year of the Closing.

ARTICLE 10

CLOSING CONDITIONS

Section 10.1 Conditions to Obligations of Purchaser and Sellers. The obligations of Purchaser and Sellers to consummate the Closing are subject to the satisfaction of the following conditions:

(a) the Bankruptcy Court shall have entered the Approval Order in the Bankruptcy Cases, authorizing the Transactions and approving this Agreement under Sections 105(a), 363 and 365 of the Bankruptcy Code, in form and substance reasonably acceptable to Purchaser and Sellers, and as of the Closing Date the Approval Order shall be in full force and effect, shall not then be stayed, and shall not have been vacated or reversed;

(b) all terminations or expirations of waiting periods (and any extension thereof) imposed by any Governmental Authority necessary for consummation of the Transactions contemplated under this Agreement, if any, shall have occurred; and

(c) no injunction, stay or similar Order issued by any Governmental Authority of competent jurisdiction shall be in effect that restrains, enjoins, stays or prohibits the consummation of the Transactions.

Section 10.2 Conditions to Obligations of Purchaser. The obligation of Purchaser to consummate the Closing is subject to the satisfaction (or waiver by Purchaser) of the following further conditions:

(a) Sellers shall have performed in all material respects all of their obligations hereunder required to be performed by Sellers on or prior to the Closing Date;

(b) Sellers shall have delivered all documents required under Section 2.9;

(c) the representations and warranties of Sellers contained in this Agreement shall be true and correct in all respects (without giving effect to any materiality qualifications contained therein, other than with respect to Section 3.17) on and as of the Closing Date as though made on and as of the Closing Date (except for such representations and warranties expressly stated to relate to an earlier date, in which case, as of such earlier date), except where the failure of such representations and warranties to be so true and correct has not had and would not reasonably be expected to have a Material Adverse Effect; and

- (d) at least sixty (60) days have elapsed since the Petition Date.

Section 10.3 Conditions to Obligations of Sellers. The obligation of Sellers to consummate the Closing is subject to the satisfaction (or waiver by Sellers) of the following further conditions:

(a) Purchaser shall have performed in all material respects all of its obligations hereunder required to be performed by it at or prior to the Closing Date;

(b) Purchaser shall have delivered all documents required under Section 2.10;

(c) the representations and warranties of Purchaser contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date, as if made on and as of such Closing Date (except for such representations and warranties expressly stated to relate to an earlier date, in which case, as of such earlier date);

(d) there shall not have occurred any Material Adverse Effect;
and

(e) the portion of the Purchase Price available for distribution to the Sellers' post-petition debtor-in-possession lender and their pre-petition first lien lender (collectively, the "Senior Lender"), after netting out all costs and expenses related to the Closing (together with any other amounts required by the Bankruptcy Court or otherwise necessary to be reserved or set aside for the payment of administrative or other expenses of Sellers' bankruptcy estates), shall be sufficient to fully satisfy at Closing all outstanding obligations owed by Sellers to the Senior Lender as of the Closing Date (it being understood that the closing condition set forth in this Section 10.3(e) may not be waived by Sellers without the consent of the Senior Lender).

ARTICLE 11

SURVIVAL

Section 11.1 Survival. The representations, warranties, covenants and agreements of Sellers and Purchaser contained in this Agreement (and in the Ancillary Agreements) will not survive the Closing; provided, that such covenants and agreements contained herein (and in the Ancillary Agreements) that by their terms are to be performed after the Closing shall survive the Closing in accordance with their terms. From and after the Closing, the Sellers, Purchaser and their respective Affiliates, successors and assigns, and any present or former director, manager, officer, employee, partner or shareholder of any Seller or Purchaser will not have any liability for any breach of any representation, warranty, covenant or agreement contained in this Agreement, except that each of Sellers and Purchaser will have liability for their respective covenants that are required to be performed after the Closing. The Purchased Assets will be sold, transferred and conveyed by Sellers to Purchaser on an AS IS-WHERE IS basis.

ARTICLE 12

TERMINATION

Section 12.1 Grounds for Termination. This Agreement may be terminated at any time prior to the Closing:

- (a) by mutual written agreement of Sellers and Purchaser;
- (b) by Sellers or Purchaser, if the Closing shall not have been consummated on or before August 5, 2013 (the “Outside Date”); provided, however, that the right to terminate this Agreement under this Section 12.1(b) shall not be available to Purchaser or Sellers, as applicable, if such terminating Party is then in material breach or violation of any of their respective representations, warranties, covenants or agreements under this Agreement;
- (c) by Purchaser, if the (i) Bidding Procedures Order is not entered on or before June 24, 2013 or (ii) the Approval Order is not entered on or before July 24, 2013; provided, however, that the right to terminate this Agreement under this Section 12.1(c) shall not be available to Purchaser if Purchaser is then in material breach or violation of any of its representations, warranties, covenants or agreements under this Agreement;
- (d) By Purchaser or Sellers, if there shall be any Law that makes consummation of the transactions contemplated hereby illegal or otherwise prohibited, or there shall be in effect a final non-appealable Order of a Governmental Authority of competent jurisdiction restraining, enjoining or otherwise prohibiting the consummation of the Transactions;
- (e) by Purchaser, if (i) there has been a violation or breach by Sellers of any representation, warranty, covenant or agreement contained in this Agreement, (ii) any representation or warranty of Sellers has become untrue, or (iii) any event has occurred which, in the case of each of subsections (i)-(iii), (A) has rendered the satisfaction of any condition set forth in Section 10.1 or Section 10.2 impossible or is not curable or able to be performed or, if curable or able to be performed, has not been cured or performed prior to the earlier of (y) ten (10) days following receipt by Sellers of written notice of such breach from Purchaser and (z) the Outside Date, and (B) has not been waived by Purchaser; provided, however, that Purchaser shall not have the right to terminate this Agreement under this Section 12.1(e) if Purchaser is then in material breach or violation of any of its representations, warranties, covenants or agreements under this Agreement;
- (f) by Sellers, if (i) there has been a violation or breach by Purchaser of any representation, warranty, covenant or agreement contained in this Agreement, (ii) any representation or warranty of Purchaser has become untrue, or (iii) any event has occurred which, in the case of each of subsections (i)-(iii), (A) has rendered the satisfaction of any condition set forth in Section 10.1 or Section 10.3

impossible or is not curable or able to performed or, if curable or able to performed, has not been cured or performed prior to the earlier of (y) ten (10) days following receipt by Purchaser of written notice of such breach from Sellers and (z) the Outside Date, and (B) has not been waived by Sellers; provided, however, that Sellers shall not have the right to terminate this Agreement under this Section 12.1(f) if Sellers are then in material breach or violation of any of their representations, warranties, covenants or agreements under this Agreement;

(g) by Sellers, if (i) Sellers execute a definitive agreement with a third party (other than Purchaser) for the acquisition of all or substantially all of the Purchased Assets, and (ii) the Bankruptcy Court enters an Order in the Bankruptcy Cases approving such definitive agreement.

In the event of a termination of this Agreement by Purchaser or Sellers, or both, pursuant to this Section 12.1, (a) the Party desiring to terminate this Agreement (other than pursuant to Section 12.1(a)) shall give written notice of such termination to the other Parties in accordance with Section 13.1, specifying the provision hereof pursuant to which such termination is made, and (b) except as set forth in Section 12.2, this Agreement shall thereupon terminate and become void and of no further force or effect, and the consummation of the Transactions shall be abandoned without further action of the parties hereto. Any termination of this Agreement by Purchaser or Sellers, or both, pursuant to this Section 12.1 shall be effective on the date that written notice of such termination is given by the terminating Party to the other Parties hereto.

Section 12.2 Effect of Termination.

(a) If this Agreement is validly terminated as provided herein, such termination shall be without liability of any Party (or any stockholder, director, officer, employee, agent, consultant or representative of such Party) to the other Party to this Agreement except as expressly set forth below in this Section 12.2 and Section 12.3. The provisions of Section 7.4(b), Article 11, Section 12.1, this Section 12.2, Section 12.3 and Article 13 shall survive any termination of this Agreement and shall remain in full force and effect.

(b) If this Agreement is terminated pursuant to Section 12.1 (other than pursuant to Section 12.1(f)) then Purchaser shall be entitled to disbursement of the Deposit (including, for the avoidance of doubt, all interest and other earnings accrued and earned thereon) from the Deposit Escrow Account.

(c) Subject to the terms and conditions set forth in Section 7.4(b)(iii), if this Agreement is terminated pursuant to Section 12.1(g), in addition to Purchaser's right to receive the Deposit pursuant to Section 12.2(b), Purchaser shall also be entitled to payment from Sellers of the Breakup Fee, within three (3) Business Days following the closing of such sale to the third party. The Parties acknowledge and agree that if this Agreement is terminated as contemplated by Section 12.1(g), the actual damages incurred by Purchaser will be difficult, if not impossible, to ascertain and accordingly, the Parties have provided for the liquidated

damages provided above. This provision shall not be construed as a penalty, but as a bonafide attempt to establish an agreed upon measure of damages which Purchaser will suffer as a result of such termination of this Agreement.

(d) If this Agreement is terminated pursuant to Section 12.1(f), then Sellers shall be entitled to disbursement of the Deposit (including, for the avoidance of doubt, all interest and other earnings accrued and earned thereon) from the Deposit Escrow Account.

(e) Notwithstanding the foregoing in this Section 12.2, the Escrow Agent shall not disburse the Deposit until the earlier to occur of (i) receipt by the Escrow Agent of joint written instructions, signed by Sellers and Purchaser, or (ii) entry of a final and unappealable adjudication of the Bankruptcy Court determining which Party is entitled to receive the Deposit. In the event of a dispute between Sellers and Purchaser with respect to the Deposit, the Escrow Agent may deposit the Deposit with the Bankruptcy Court and commence an action to determine the proper disposition of such Deposit.

Section 12.3 Waiver; Exclusive Remedies. Effective as of the Closing, Purchaser waives irrevocably any and all rights and Claims Purchaser may have against Wellspring Capital Management LLC, its Affiliates, successors and assigns, and any of their respective present or former directors, managers, officers, employees, partners or shareholders, whether in Law or in equity, relating to (a) any breach of a representation, warranty, covenant or agreement contained herein and occurring on or prior to the Closing, or (b) the Purchased Assets, the Assumed Liabilities or the Business. Purchaser and Sellers acknowledge and agree that if this Agreement is terminated pursuant to Section 12.1, the provisions of Section 12.2 and this Section 12.3 set forth the sole and exclusive remedies of the Parties. Purchaser and Sellers further acknowledge and agree that if this Agreement is terminated by Sellers pursuant to Section 12.1(f), then, in addition to Sellers' remedies set forth in Section 12.2, Sellers shall also retain any and all claims, rights, remedies, prayers for damages and causes of action, whether arising in Law or in equity, arising from or related to any breach of this Agreement by Purchaser, including the right to specific performance.

ARTICLE 13

MISCELLANEOUS

Section 13.1 Notices. All notices, requests and other communications to any Party hereunder shall be in writing (including facsimile transmission) and shall be given,

if to Purchaser, to:

Bang Printing of Ohio, Inc.
3323 Oak Street
Brainerd, MN 56401
Facsimile: 218-829-7145
Attention: Chris Kurtzman

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

Leonard, Street and Deinard
Professional Association
3800 Eighth Street North, Suite 102
Saint Cloud, MN 56303
Facsimile: 320-654-4101
Attention: Aaron J. Crandall
Robert T. Kugler

if to Sellers, to:

Hess Print Solutions
c/o Wellspring Capital Management LLC
Lever House
390 Park Avenue
New York, NY 10022-4608
Facsimile: 212-318-9810
Attention: John Morningstar

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

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, NY 10019-6064
Facsimile: 212-757-3990
Attention: James H. Schwab
Jeffrey D. Saferstein
Alice B. Eaton

All such notices, requests and other communications shall be deemed received (i) when delivered personally to the recipient, (ii) one (1) Business Day after being sent to the recipient by reputable overnight courier service (charges prepaid), (iii) one (1) Business Day after being sent to the recipient by facsimile transmission or electronic mail, or (iv) four (4) Business Days after being mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid, and addressed to the intended recipient as set forth above. Any Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Parties notice in the manner herein set forth.

Section 13.2 Waivers. No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative.

Section 13.3 Binding Effect; Assignment. This Agreement shall be binding upon Purchaser and, subject to entry of the Bidding Procedures Order (with respect to the matters covered thereby) and the Approval Order, Sellers, and inure to the benefit of the parties and their respective successors and permitted assigns, including any trustee or estate representative appointed in the Chapter 11 Case or any successor Chapter 7 case. No assignment of this Agreement or of any rights or obligations hereunder may be made by any Seller or Purchaser (by operation of Law or otherwise) without the prior written consent of the other parties hereto and any attempted assignment without the required consents shall be void.

Section 13.4 Governing Law. This Agreement shall be governed by and construed in accordance with the internal Laws of the State of Delaware and any applicable provisions of the Bankruptcy Code, without regard to the principles of conflicts of Law that would provide for application of another Law.

Section 13.5 Jurisdiction.

(a) Prior to the closing of the Bankruptcy Cases, the Parties hereto agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the Transactions shall be brought exclusively in the Bankruptcy Court, and each of the Parties hereby irrevocably consents to the jurisdiction of the Bankruptcy Court (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by Law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in the Bankruptcy Court or that any such suit, action or proceeding which is brought in the Bankruptcy Court has been brought in an inconvenient forum. Each Party agrees that service of process on such Party as provided in Section 13.1 shall be deemed effective service of process on such Party.

(b) After the closing of the Bankruptcy Cases, except as otherwise expressly provided in this Agreement, the Parties hereto agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the Transactions may be brought in any state or federal court located in Wilmington, Delaware, and each of the Parties hereby irrevocably consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by Law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an

inconvenient forum. Each Party agrees that service of process on such Party as provided in Section 13.1 shall be deemed effective service of process on such Party.

Section 13.6 Waiver of Jury Trial. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS.

Section 13.7 No Third Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their permitted assigns and, except as set forth in Section 10.3(e), nothing herein express or implied shall give or be construed to give to any Person, other than the parties hereto and such permitted assigns, any legal or equitable rights hereunder.

Section 13.8 Entire Agreement; Amendments; Counterparts. This Agreement (including the Schedules and Exhibits hereto), the Deposit Escrow Agreement and the Confidentiality Agreement set forth the entire agreement among the Parties with respect to the subject matter hereof. This Agreement (including the Schedules and Exhibits hereto) may be amended only by a writing executed by Purchaser and Sellers. This Agreement may be executed in counterparts, each of which when taken together shall constitute an original. This Agreement shall become effective when each Party hereto shall have received a counterpart hereof signed by the other Party hereto.

Section 13.9 Headings. The headings contained in this Agreement are for convenience of reference only and shall not affect the meaning or interpretation of this Agreement.

Section 13.10 Joint Drafting. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of authorship of any provisions of this Agreement.

Section 13.11 Expenses. Except as otherwise set forth expressly herein, all costs and expenses incurred in connection with this Agreement or the Transactions shall be paid by the Party incurring such cost or expense.


Section 13.12 Injunctive Relief. The Parties agree that damages at Law may be an inadequate remedy for the breach of any of the covenants, promises and agreements contained in this Agreement by the Parties, and, accordingly, each Party shall be entitled to injunctive relief with respect to any such breach by the other Parties, including specific performance of such covenants, promises or agreements or an order enjoining the other Parties from any threatened, or from continuation of any actual, breach of the covenants, promises or agreements contained in this Agreement by such Parties, all without the necessity of providing the inadequacy of money damages as a remedy and without the necessity of posting bond. The rights set forth in this Section 13.12 shall be in addition to any other rights which Sellers or Purchaser may have at Law or in equity pursuant to this Agreement.

Section 13.13 Disclosure Schedules. The Parties acknowledge and agree that (i) the Schedules to this Agreement may include certain items and information solely for informational purposes for the convenience of Purchaser and (ii) the disclosure by Sellers of any matter in the Schedules shall not be deemed to constitute an acknowledgment by Sellers that the matter is required to be disclosed by the terms of this Agreement or that the matter is material. If any Schedule discloses an item or information, the matter shall be deemed to have been disclosed in all other Schedules, notwithstanding the omission of an appropriate cross-reference to such other Schedules.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

BANG PRINTING OF OHIO, INC.

By: 
Name: Chris Kortzmann
Title: President

TPO HESS HOLDINGS, INC.

By: _____
Name:
Title:

TPO HESS INTERMEDIATE HOLDINGS
I, INC.

By: _____
Name:
Title:

TPO HESS INTERMEDIATE
HOLDINGS II, INC.

By: _____
Name:
Title:

DBH ASSOCIATES – OHIO LIMITED
PARTNERSHIP

By: _____
Name:
Title:

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

BANG PRINTING OF OHIO, INC

By: _____
Name:
Title:

TPO HESS HOLDINGS, INC

By: Jerry Haywood
Name: Jerry Haywood
Title: CFO, Interim CEO

TPO HESS INTERMEDIATE HOLDINGS I, INC

By: Jerry Haywood
Name: Jerry Haywood
Title: CFO, Interim CEO

TPO HESS INTERMEDIATE HOLDINGS II, INC

By: Jerry Haywood
Name: Jerry Haywood
Title: CFO, Interim CEO

DBH ASSOCIATES – OHIO LIMITED PARTNERSHIP

By: Jerry Haywood
Name: Jerry Haywood
Title: CFO, Interim CEO

DBH ASSOCIATES-ILLINOIS L.P.

By: Jerry Haywood
Name: Jerry Haywood
Title: CFO, Interim CEO

THE PRESS OF OHIO, INC.

By: Jerry Haywood
Name: Jerry Haywood
Title: CFO, Interim CEO

THE D.B. PRESS COMPANY

By: Jerry Haywood
Name: Jerry Haywood
Title: CFO, Interim CEO

Exhibit A

Statement of Specified Matters

See Attached

Exhibit A - Statement of Specified Matters

| | As of 31-Mar-13 |
|--|----------------------------|
| Accounts Receivable - Trade | 12,818,784 |
| Allowance for Doubtful Accounts | (75,019) |
| Total Accounts Receivable - Trade, net | 12,743,765 |
| Total Inventory | 8,459,117 |
| Accounts Receivable + Inventory | 21,202,882 |
| <u>Employee Payments</u> | |
| Accrued Payroll | 394,603 |
| Accrued Holiday/Vacation | 627,924 |
| Accrued Bonus | 88,062 |
| Accrued Medical | 478,918 |
| Payroll Tax - FICA | 9,041 |
| Flexible Spending | 1,731 |
| Vision Insurance | 3,077 |
| Voluntary Life Insurance | 3,898 |
| Total | 1,607,254 |
| <u>Customer Obligations</u> | |
| Advanced Billings, Customer Deposits | 133,469 |
| Customer Postage | 16,930 |
| Volume Rebates - Customer | 9,387 |
| Payment Discrepancies | 131,238 |
| Total | 291,024 |
| Specified Matters Amount | 19,304,604 |

EXHIBIT C
LIQUIDATION ANALYSIS

Hess Print Solutions
Liquidation Analysis*

| | Chapter 11 | | Chapter 7 | | Notes |
|--|-------------------|------------|-------------------|------------|-------|
| | Claim Amount | % Recovery | Claim Amount | % Recovery | |
| <i>(In Thousands)</i> | | | | | |
| SOURCES OF FUNDS | | | | | |
| Cash in Bank | 18,560,583 | | 134,127 | | 1 |
| Estimated Other Recoveries | | | 15,078,460 | | 2 |
| TOTAL SOURCES OF FUNDS | 18,560,583 | | 15,212,587 | | |
| USES OF FUNDS | | | | | |
| Carve-Out and DIP Financing Claims | | | | | |
| Professional Fees | 1,550,000 | 100% | 1,700,000 | 100% | 3 |
| Chapter 7 Trustee Fees | - | - | 25,000 | 100% | 4 |
| DIP Financing Claims | 13,461,989 | 100% | 13,461,989 | 100% | 5 |
| Sub-Total for Carve-Out and DIP Financing Claims | 15,011,989 | | 15,186,989 | | |
| Other Costs | | | | | |
| Wind-Down Costs | 150,000 | 100% | - | 0% | 6 |
| Chapter 7 Trustee Fees | - | - | - | 0% | 7 |
| Administrative Claims | 935,000 | 100% | - | 0% | 8 |
| Priority Claims | 413,594 | 100% | - | 0% | 9 |
| Transition Service Arrangement | 550,000 | 100% | - | 0% | 10 |
| Sub-Total for Other Costs | 2,048,594 | | - | | |
| TOTAL USES OF FUNDS | 17,060,583 | | 15,186,989 | | |
| Net Proceeds Available for Second Lien Note Claims | 1,500,000 | 2.07% | 25,598 | 0.04% | |
| Net Proceeds Available for Unsecured Claims | N/A | 0% | N/A | 0% | 11 |

Notes:
* Consistent with the structure of the Plan, the Liquidation Analysis assumes that the Estates will be substantively consolidated into a single Estate from which all distributions to creditors are made. Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Disclosure Statement.

- Chapter 11 - estimated cash balances based on a projected Effective Date of the Plan as of July 31, 2013 following the closing of the Sale Transaction plus the net value of the Sale Transaction proceeds; Chapter 7 - estimated cash balances as of July 31, 2013
- Chapter 11 - no additional recoveries; Chapter 7 - AR recoveries are based on 60% of book values; Inventory recoveries are based on advance rates under the revolving credit facility; M&E recoveries are based on 75% of FV
- Chapter 11 - Based on the total of the professional fees expected to be incurred during the case; Chapter 7 - estimated Carve-Out of all accrued but unpaid professional fees plus \$150,000, post-termination fees.
- Chapter 11 - includes \$250,000 investment banking fee related to Sale Transaction; in the event that Second Lien Noteholders sell or otherwise transfer any of their second Lien Note Claims to any transferee, the investment banking fee shall be increased by \$250,000 to the total amount of \$500,000
- Chapter 11 - no Chapter 11 Trustee fees; Chapter 7 - \$25,000 cap prior to payment of the DIP Financing Claims.
- The DIP Financing Claims, which include First Lien Facility Claims, are assumed to be satisfied in full on the Closing Date.
- Both scenarios include fees for miscellaneous wind-down costs including filing tax returns, 401k dissolution, etc.
- Chapter 11 - no Chapter 11 Trustee fees; Chapter 7 - approximately 3% of recoveries including fees of Trustee's professionals under section 326 of the Bankruptcy Code.
- Chapter 11 - estimated administrative claims for unpaid post-petition trade/503(b)9 claims; Chapter 7 - estimated administrative claims amount is the same as in Chapter 7, plus any administrative expenses incurred by the Chapter 11 trustee after conversion; however, there are insufficient liquidation proceeds for Holders of Administrative Claims to obtain any recovery.
- Chapter 11 - includes estimated vacation claims not anticipated to be assumed in the Sale Transaction and estimated claims from taxing authorities; Chapter 7 - same amount as in Chapter 11, plus employee wage and compensation obligations entitled to priority that are being assumed in the Sale Transaction; however, there are insufficient liquidation proceeds for Holders of Priority Claims to obtain any recovery.
- Chapter 11 - transition services payments under the Plan for certain executives of the Debtors; Chapter 7 - no transition services.
- There are insufficient liquidation proceeds for Holders of General Unsecured Claims to obtain any recovery in the Chapter 11 or Chapter 7 scenarios.