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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	Chapter 11
VERTIS HOLDINGS, INC., *et al.*,	:	Case No. 10- _____ ( )
Debtors.	:	(Motion for Joint Administration Pending)

DEBTORS' MOTION FOR AN ORDER PURSUANT TO 11 U.S.C. § 363(b) (I) APPROVING (A) AN EQUITY COMMITMENT AGREEMENT AND (B) A BACKSTOP COMMITMENT AGREEMENT, (II) AUTHORIZING PAYMENT OF CERTAIN RELATED FEES AND EXPENSES THEREUNDER, (III) FURNISHING CERTAIN INDEMNITIES THEREUNDER AND (IV) GRANTING CERTAIN RELATED RELIEF

The debtors and debtors-in-possession in the above-captioned cases (collectively, the "Debtors"),[1] hereby move this Court (the "Motion") for entry of an order pursuant to section 363(b) of title 11 of the United States Code (the "Bankruptcy Code") (i) approving (a) an Equity Commitment Agreement and (b) a Backstop Commitment Agreement, (ii) authorizing payment of certain related fees and expenses thereunder, (iii) furnishing certain indemnities thereunder and (iv) granting certain related

[1] The Debtors in these cases, along with the last four (4) digits of each Debtor's federal tax identification number, are Vertis Holdings, Inc. (1556); Vertis, Inc. (8322); ACG Holdings, Inc. (5968); Webcraft, LLC (6725); American Color Graphics, Inc. (3976); and Webcraft Chemicals, LLC (6726).

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relief. In support of this Motion, the Debtors rely upon and incorporate by reference the Declaration Pursuant to Local Bankruptcy Rule 1007-2 in Support of Chapter 11 Petitions and Various First-Day Applications and Motions (the "First-Day Declaration") filed concurrently herewith under Local Bankruptcy Rule 1007-2.[2] In further support of this Motion, the Debtors, by and through their undersigned counsel, respectfully represent:

JURISDICTION AND VENUE

1. This Court has jurisdiction to consider this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding under 28 U.S.C. § 157(b). Venue of these cases and this Motion in this District is proper under 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief requested herein are Bankruptcy Code sections 105(a) and 363(b).

BACKGROUND

2. On the date hereof (the "Petition Date"), the Debtors filed voluntary petitions in this Court for relief under chapter 11 of the Bankruptcy Code. The factual background regarding the Debtors, including their business operations, their capital and debt structure, the events leading to the filing of these chapter 11 cases and a summary of the Plan (as defined below), is set forth in detail in the First-Day Declaration. The Debtors continue to manage and operate their businesses as debtors-in-possession under Bankruptcy Code sections 1107 and 1108.

[2] Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the First-Day Declaration.

RELIEF REQUESTED

3. On the Petition Date, the Debtors filed their Amended Confidential Offering Memorandum, Consent Solicitation, Private Placement and Disclosure Statement Soliciting Acceptances Of A Prepackaged Plan Of Reorganization, dated November 1, 2010 (including any supplements and annexes thereto, the "Disclosure Statement") with respect to the Joint Prepackaged Chapter 11 Plan Of Vertis Holdings, Inc., et al., dated November 1, 2010 (as may be amended, the "Plan"). The Plan contemplates the payment in full or "reinstatement" of most classes of claims, including Administrative Claims, Priority Tax Claims, DIP Claims, Priority Non-Tax Claims, Revolving Loan Claims, Term Loan Claims, and General Unsecured Claims (each as defined in the Plan).

4. More importantly for purposes of this Motion, the Plan contemplates the distribution to holders of Claims arising under (i) the Debtors' Senior Secured Second Lien Notes due 2012 (the "Second Lien Notes") of 96.25% of the shares of New Common Stock[3] issued and outstanding on the effective date of the Plan, prior to dilution resulting from shares issued pursuant to (a) the offering of up to $100.0 million in aggregate amount of New Common Stock (which amount may be reduced as set forth in the Plan) (the "Private Placement") and (b) the fee payable in shares of New Common Stock to those parties agreeing to backstop the Private Placement, and (ii) the Debtors' Senior PIK Notes due 2014 (the "Senior PIK Notes" and, together with the Second Lien

[3] "New Common Stock" means 40,000,000 shares of common stock of reorganized Vertis Holdings, Inc. ("Reorganized Vertis Holdings") authorized pursuant to the Plan and the Amended and Restated Certificate of Organization of Reorganized Vertis Holdings.

Notes, the "Notes") of 3.75% of the shares of New Common Stock issued and outstanding on the effective date of the Plan.

5. In consultation with their advisors, prior to filing for chapter 11 protection, the Debtors extensively negotiated various agreements in support of their proposed reorganization efforts. The material terms of those agreements are set forth below. By this Motion, the Debtors are seeking entry of an order (i) approving the Equity Commitment Agreement relating to the Private Placement and the Backstop Commitment Agreement (each as defined below) as they have been executed, (ii) authorizing the Debtors to pay certain fees and expenses, as and if they become due and owing under the Equity Commitment Agreement and/or the Backstop Commitment Agreement, and (iii) authorizing the Debtors to furnish certain indemnities pursuant thereto.

A. The Restructuring Support Agreement

6. Contemporaneously with the launch of the solicitation of the Exchange Offers (as defined in the Disclosure Statement) and the Plan, certain holders of Notes, including Troob Capital Management LLC ("Troob"), Alden Global Capital (together with its affiliates, "Alden"), and Avenue Investments, L.P. (together with its affiliates, "Avenue" and, together with Troob and Alden, the "Principal Backstop Investors") – which collectively hold approximately $394.7 million (79.7%) in aggregate principal amount of the outstanding Second Lien Notes and $175.3 million (67.9%) aggregate principal amount of the outstanding Senior PIK Notes – each executed an agreement (the "Restructuring Support Agreement") whereby the Principal Backstop Investors and the other noteholder signatories thereto agreed to validly tender all their Notes in the Exchange Offers and vote to accept the Plan. The Restructuring Support Agreement contemplates and evidences the support of its parties to the Private Placement,

the Equity Commitment Agreement (as defined below) and the Backstop Commitment Agreement (as defined below.).

B. The Private Placement and the Equity Commitment Agreement

7. Pursuant to the Private Placement, holders of Second Lien Note Claims that are also accredited investors[4] (each, an "Eligible Holder") that vote to accept the Plan and tender their Second Lien Notes in the Exchange Offers are being provided the opportunity to purchase up to an aggregate of 10,000,000 shares ($100.0 million) of New Common Stock, subject to reduction in accordance with the Private Placement Reduction.[5] Each Eligible Holder is being permitted to purchase up to 20.245 shares of New Common Stock per $1,000 of its Series A Second Lien Notes, 20.245 shares of New Common Stock per $1,000 of its Series B Second Lien Notes and 19.233 shares of New Common Stock per $1,000 of its Series C Second Lien Notes (in the aggregate amount of $23.3 million), in each case at a subscription price per share of $10.00, and in each case subject to the Private Placement Reduction.

8. In connection with the Private Placement, the Principal Backstop Investors, and certain other holders of Notes (the "Backstop Purchasers" and, together with the Principal Backstop Investors, the "Backstop Investors"), entered into that certain

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[4] Within the meaning of Rule 501(a) under the Securities Act of 1933.

[5] As set forth in the Plan, prior to the Plan effective date, the board of directors of Vertis Holdings may, following consultation with the Backstop Purchasers and Avenue, elect to reduce the aggregate amount of the Private Placement if it determines, based upon Vertis Holdings' estimated working capital and available liquidity, that following such reduction, it will have adequate cash resources (including amounts available under the exit financing), to consummate the transactions contemplated by the Plan and implement its business plan following the effective date (the "Private Placement Reduction"); provided, however that the total number of shares of New Common Stock by which the Private Placement is reduced may not exceed 2,000,000 ($20.0 million) shares of New Common Stock. Any Private Placement Reduction will be subject to the waiver of one or more conditions under the New Term Loan.

Equity Commitment Agreement, dated as of November 1, 2010, a copy of which is attached as Exhibit B hereto (the "Equity Commitment Agreement"). Pursuant to the Equity Commitment Agreement, the Backstop Investors agreed to purchase all shares of New Common Stock offered to, but not purchased by, other Eligible Holders (the "Backstop Commitment"). As a result, Vertis expects to receive the full amount of the Private Placement proceeds.

9. The Debtors need the Backstop Investors and the Backstop Commitment to ensure that the Private Placement is subscribed in full. Any uncertainty as to the Debtors' ability to raise the full amount of the Private Placement could jeopardize the Debtors' efforts to reorganize their capital structure and financial affairs. Accordingly, in exchange for their commitment, the Equity Commitment Agreement provides that the Backstop Investors will receive, and the Debtors respectfully request this Court to approve:

(i) a fee of 1,800,000 shares of New Common Stock (the "Equity Fee"), which equals 10% of the outstanding Shares after giving effect to the issuance and sale of all Shares contemplated by Plan, payable four business days following the satisfaction or waiver of all of the conditions to closing set forth in the Equity Commitment Agreement; or

(ii) payment of $6.1 million in cash (the "Cash Fee"), which equals 1.25% of the sum of the Backstop Commitments plus the outstanding principal amount of Second Lien Notes collectively held by the Backstop Investors, and which shall only be paid (a) in the event the Equity Commitment Agreement is terminated pursuant to its terms by one of the Backstop Investors by virtue of the Debtors' filing of a pleading or document with this Court providing for or contemplating an Alternative Transaction[6] or

[6] "Alternative Transaction" means any transaction providing for or contemplating (i) a capital raising transaction, including a plan of reorganization, that does not contemplate or is inconsistent with the Private Placement, (ii) a sale of any equity or debt securities of Vertis Holdings or any of its subsidiaries or (iii) a sale of all or substantially all the assets of Vertis Holdings or any of its *(cont'd)*

(b) to the extent payable, in the event the Debtors pursue an Alternative Transaction.

10. Moreover, the Debtors have agreed to indemnify each Backstop Investor and its respective officers, directors, employees, agents, advisors, counsel, representatives, controlling persons and affiliates (each, an "ECA Indemnified Person") from and against any and all claims, damages, losses, liabilities, costs and expenses that may be incurred by or asserted or awarded against any ECA Indemnified Person, excluding losses caused by such person's fraud, willful misconduct or gross negligence, in each case made or initiated by any person who is not a Backstop Investor (collectively, a "Third Party Claim") or any threatened Third Party Claim, in each case which relates to the transactions contemplated by the Equity Commitment Agreement. Lastly, the Debtors have agreed to pay the fees and expenses of (i) counsel for Avenue and the ad hoc group of holders of Second Lien Notes in full; and (ii) separate counsel for each Backstop Investor up to $10,000 individually and $60,000 in the aggregate.

11. The Debtors believe that these fees and obligations are warranted here because the efforts and cooperation of the Backstop Investors was crucial to the development and solicitation of the Plan and the transactions contemplated thereby. Indeed, prior to entering into the Equity Commitment Agreement, the Debtors' investment banker and financial advisor, Perella Weinberg Partners LP, contacted several third party potential investors to determine whether third party backstop commitments of the Private Placement could be obtained on better terms than those contemplated by the Equity Commitment Agreement. However, the Debtors were unable to obtain any

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subsidiaries; provided, however, that any transaction approved by the Majority Backstop Investors (as defined in the Equity Commitment Agreement) shall not be considered an Alternative Transaction.

commitments to backstop the Private Placement on terms more favorable than the Equity Commitment Agreement.

12. The proposed fees and obligations to the Backstop Investors also are warranted because the Backstop Investors organized and came together as a group in a very short time frame and, through their commitments, are providing the Debtors and their stakeholders an integral component of the Debtors' restructuring plan. The amount of the fees reflects the fact that the Backstop Investors were able to offer a fully-back stopped deal, when others in the marketplace would not do so. The fees and the Equity Commitment Agreement were the product of vigorous, arms'-length negotiations that spanned several weeks. Accordingly, the Debtors believe that entry into the Equity Commitment Agreement is a proper exercise of their business judgment; was necessary and proper in order to reorganize their businesses; and should be approved.

C. The Avenue Backstop Commitment Agreement

13. As set forth in detail in the Debtors' Motion for Entry of an Order Pursuant to 11 U.S.C. §§ 105(a), 363(b) and 503(b)(1) and Fed. R. Bankr. P. 6004 Authorizing the Debtors to Pay Certain Fees and Expenses and Furnish Certain Indemnities in Connection with the Debtors' Prepetition Exit Financing Commitments (the "Exit Financing Motion") filed contemporaneously herewith, on October 31, 2010, Vertis entered into a commitment letter under which Morgan Stanley Senior Funding Inc. committed to provide a $425 million senior secured term loan (the "New Term Loan") to the Debtors. Prior to the Petition Date and substantially contemporaneously with the solicitation of the Exchange Offers and the Plan, the Debtors and Avenue entered into that certain commitment agreement in connection with the New Term Loan, a copy of which is attached as Exhibit C hereto (the "Backstop Commitment Agreement"),. In

essence, as an inducement to all potential term loan lenders, Avenue agreed, pursuant to the Backstop Commitment Agreement and subject to the satisfaction of its terms and conditions, to support the syndication of the New Term Loan by foregoing up to $80 million of cash distributions to which it would otherwise have been entitled on account of its Prepetition Term Loan Facility claims and accept an "in-kind" distribution of new obligations under the New Term Loan (the "Avenue Backstop").

14. The obligations of Avenue under the Backstop Commitment Agreement are conditioned upon, inter alia, the following:

(i) the commitment amounts and terms and conditions of the New Term Loan and new revolving credit facility shall be consistent with those set out in the commitment letter entered into in connection with the New Term Loan (the "Commitment Letter") or otherwise deemed satisfactory by Avenue in its sole discretion;

(ii) "successful syndication" (as defined in the Commitment Letter) shall have occurred;

(iii) entry by this Court of an order authorizing the Debtors to enter into and approving the terms of the Backstop Commitment Agreement and the transactions contemplated thereby; and

(iv) the effective date of the Plan occurring on or before 120 calendar days from the Petition Date.

15. In exchange, the Debtors have agreed to indemnify Avenue, its general partners, members, managers and equity holders, and the respective officers, employees, affiliates, advisors, agents, attorneys, financial advisors, accountants, consultants of each such entity, from and against any and all losses, claims, damages, liabilities and expenses, joint or several, which any such person or entity may incur, have asserted against them or be involved in as a result of or arising out of or in any way related to the Backstop Commitment Agreement, the Plan, the Equity Commitment

Agreement, the use of proceeds thereunder or any related transaction or any claim, litigation, investigation or proceeding relating to any of the foregoing (other than disputes solely among Backstop Investors), excluding losses to the extent they are determined by a final order of a court of competent jurisdiction to have resulted from the fraud, willful misconduct or gross negligence. Lastly, the Debtors have agreed they will pay Avenue's prior and future fees and expenses related to all aspects of the Debtors' restructuring efforts.

16. The existence of the Avenue Backstop was critical to the Debtors' ability to obtain a commitment for the New Term Loan, without which the Debtors would have insufficient capital post-consummation. The Debtors have determined, in their business judgment, that the entry into the Backstop Commitment Agreement, upon the specific terms outlined above, was necessary and prudent in order for the Debtors to be able to reorganize their business and take maximum advantage of the favorable market conditions that existed at the time the Backstop Commitment Agreement and the commitment documents with respect to the exit financing were executed.

BASIS FOR RELIEF

A. The Debtors' Performance Of Their Obligations Under The Equity Commitment Agreement and the Backstop Commitment Agreement Are Within The Debtors' Sound Business Judgment

17. Section 363(b)(1) of the Bankruptcy Code provides, in relevant part, that "[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate . . . ." 11 U.S.C. § 363(b)(1). The use, sale, or lease of property of the estate, other than in the ordinary course of business, is authorized when it is based on the debtor's business judgment. See e.g., Official Comm.

of Unsecured Creditors of LTV Aerospace & Def. Co. v. LTV Corp. (In re Chateaugay Corp.), 973 F.2d 141, 143 (2d Cir. 1992) (holding that a judge determining a § 363(b) application must find from the evidence presented a good business reason to grant such application); Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.), 722 F.2d 1063, 1070 (2d Cir. 1983) (requiring "some articulated business justification" to approve the use, sale or lease of property outside the ordinary course of business); In re Ionosphere Clubs, Inc., 100 B.R. 670, 675 (Bankr. S.D.N.Y. 1989) (noting that the standard for determining a section 363(b) motion is "good business reason"); see also In re Global Crossing Ltd., 295 B.R. 726, 743 (Bankr. S.D.N.Y. 2003) (stating that judicial approval under section 363 of the Bankruptcy Code requires a showing that there is a good business reason).

18. To determine whether the business judgment test is met, "[a] court is required to examine whether a reasonable business person would make a similar decision under similar circumstances." In re Exide Techs., 340 B.R. 222, 239 (Bankr. D. Del. 2006). Once a debtor articulates a valid business justification, it is presumed that "in making a business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the company." Official Comm. of Subordinated Bondholders v. Integrated Res., Inc. (In re Integrated Res., Inc.), 147 B.R. 650, 656 (S.D.N.Y. 1992) (quoting Smith v. Van Gorkom, 488 A.2d 858, 872 (Del. 1985)). In fact, "[w]here the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor's conduct." Comm. of Asbestos-Related Litigants and/or Creditors v. Johns-Manville Corp. (In re

Johns-Manville Corp.), 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986); see also In re Curlew Valley Assocs., 14 B.R. 506, 513-14 (Bankr. D. Utah 1981) (noting that courts should not second guess a debtor's business decision when that decision involves "a business judgment made in good faith, upon a reasonable basis, and within the scope of [the debtor's] authority under the [Bankruptcy] Code.") (citation omitted). The business judgment rule therefore shields a debtor's management from judicial second-guessing, and mandates that a court approve a debtor's business decision unless that decision is a product of bad faith or gross abuse of discretion. See id.; see also Lubrizol Enters., Inc. v. Richmond Metal Finishers, Inc., 756 F.2d 1043, 1047 (4th Cir. 1985), cert. denied, 475 U.S. 1057 (1986). Where use of estate property outside of the ordinary course of business is in aid of a debtor's reorganization, the Court has wide discretion to tailor relief pursuant to section 363(b) of the Bankruptcy Code. In re Montgomery Ward Holding Corp., 242 B.R. 147, 154-56 (D. Del. 1999); Lionel, 722 F.2d at 1070.

19. Together, the Equity Commitment Agreement and the Backstop Commitment Agreement are designed to serve as a foundation for the ultimate success of the Debtors' reorganization efforts during and after bankruptcy. The Equity Commitment Agreement ensures that the Private Placement will be fully subscribed, thereby providing the Debtors with much-needed liquidity post-emergence, and the Backstop Commitment Agreement provides a material anchor lender to fill out the New Term Loan, if necessary. The significant benefits of allowing the Debtors to perform their obligations under the Equity Commitment Agreement and the Backstop Commitment Agreement far outweigh the reasonable costs to the estate, and represent a critical step in obtaining the means,

both through the Private Placement and the Exit Financing, necessary to consummate the Plan. Accordingly, the relief requested herein should be approved.

20. Courts in this district and others have approved fees for equity commitments of the nature contemplated here. See, e.g., In re Tronox Incorporated, Case No. 09-10156 (Bankr. S.D.N.Y. September 17, 2010) [Docket No. 2072] (approving $190 million equity commitment agreement, including equity fee, cash fee and transaction expenses related thereto); In re Premier International Holdings Inc., Case No. 09-12019 (Bankr. D. Del. December 18, 2009) [Docket No. 1235] (approving $450 million equity commitment agreement, including $11.25 million break-up fee and indemnification provisions related thereto); In re Accuride Corporation, Case No. 09-13449 (Bankr. D. Del. November 2, 2009) [Docket No. 167] (approving convertible notes commitment agreement for $140 million rights offering, including backstop fee, termination fee and transaction expenses relating thereto); In re Northwest Corp., Case No. 05-17930 (Bankr. S.D.N.Y. March 30, 2007) [Docket No. 5731] (approving equity purchase and commitment agreement for $750 million rights offering, including syndication agreements, and fees relating thereto); In re Delphi Corp., Case No. 05-44481 (Bankr. S.D.N.Y. Jan. 12, 2007) [Docket No. 6589] (approving a $3.4 billion equity purchase and commitment agreement, including backstop agreement and fees relating thereto); In re Foamex Int'l Inc., Case No. 05-12685 (Bankr. D. Del. Nov. 27, 2006) [Docket No. 2004] (approving commitment letters with respect to debt and equity financing, commencement of a $150 million rights offering, and payment of certain option premiums and fees); In re Silicon Graphics, Inc., Case No. 06-10977 (Bankr. S.D.N.Y. Aug. 23, 2006) [Docket No. 490] (approving backstop commitment agreements

in connection with $50 million rights offering); In re Owens Corning, Case No. 00-03837 (Bankr. D. Del. June 29, 2006) [Docket No. 18228] (approving backstop commitment agreements in connection with $2.2 billion rights offering).

21. Courts similarly have approved transactions with commitments and related fees similar to the commitments and related fees in this transaction, which are conditions to and material inducements for the Backstop Investors to enter into the Equity Commitment Agreement. See, e.g., Calpine Corp. v. O'Brien Envtl. Energy, Inc. (In re O'Brien Envtl. Energy, Inc.), 181 F.3d 527, 535 (3d Cir. 1999) (break-up fees warranted when necessary to preserve value of estate); In re Integrated Res., Inc., 147 B.R. at 663 (break-up fee of 1.6% of sale price included in purchase agreement intended to fund reorganization plan was reasonable); In re Ray Fulton, Inc., Case No. 1-09-41225, 2009 WL 2600760, at *1 (Bankr. E.D.N.Y. Aug. 21, 2009) (break-up fee of 3.5% of total purchase price was reasonable); In re Northwest Corp., Case no. 05-17930 (Bankr. S.D.N.Y. March 30, 2007) [Docket No. 5731] (approving commitment fee of $20,625,000 (2.75% of the total amount of $750 million rights offering) and a break-up fee of $7,500,000 (1.0% of the total amount of $750 million rights offering)); In re Delphi Corp., Case No. 05-44481 (Bankr. S.D.N.Y. Jan. 12, 2007) [Docket No. 6589] (approving fees of $21 million with respect to purchase of preferred shares, aggregate commitment fee of $55,125,000 with respect to backstop commitment and $100 million alternate transaction fee); In re Foamex Int'l Inc., Case No. 05-12685 (Bankr. D. Del. Nov. 27, 2006) [Docket No. 2004] (approving a backstop fee of $7.5 million (5% of the total amount of $150 million rights offering)); In re Owens Corning, Case No. 00-03837 (Bankr. D. Del. June 29, 2006) [Docket No. 18228] (approving a backstop fee of $100

million (4.57% fee of total amount of $2.2 billion rights offering) and a break up fee of $20 million (.91% of the total amount of $2.2 billion rights offering)).

22. The Debtors believe that the relief requested by this Motion is appropriate and is fair and reasonable under the circumstances. Furthermore, it is essential to the prompt and effective confirmation and consummation of the Plan. Based on the foregoing, the Debtors believe that they have exercised sound business judgment in deciding to execute the Equity Commitment Agreement and the Backstop Commitment Agreement, and this Court should authorize and approve the Debtors' entry into such agreements and the payment of fees and expenses and indemnification provisions thereunder.

B. The Fees and Expenses Payable Under the Equity Commitment Agreement and the Backstop Commitment Agreement Should Constitute Allowed Administrative Expenses Pursuant to Section 503(b)(1) of the Bankruptcy Code

23. The fees and expenses payable under the Equity Commitment Agreement and the Backstop Commitment Agreement constitute "actual, necessary costs and expenses of preserving the estate." 11 U.S.C. § 503(b)(1)(A). Without the ability to pay these fees and expenses, the Debtors would be unable to secure commitments to ensure that the Private Placement is fully subscribed and to backstop up to $80 million of the New Term Loan. This would jeopardize the Debtors' ability to confirm the Plan and seek an expedited emergence from chapter 11, thereby impairing the value of their business to the detriment of their stakeholders. The fees and expenses payable under the Equity Commitment Agreement and the Backstop Commitment Agreement therefore should be awarded administrative expense status under section 503(b)(1) of the Bankruptcy Code.

NOTICE

24. Notice of this Motion has been provided by facsimile, electronic transmission, overnight delivery or hand delivery to: (a) the United States Trustee for Region 2; (b) the Internal Revenue Service; (c) the New York State Department of Taxation and Finance; (d) the New York City Department of Finance; (e) the United States Attorney General; (f) the New York State Attorney General; (g) the Securities Exchange Commission; (h) those parties identified in the schedule of the largest unsecured creditors annexed to the Debtors' petitions; (i) Winston & Strawn LLP, counsel to General Electric Capital Corporation, the agent for the Prepetition Revolving Credit Facility and the DIP lender; (j) Schulte, Roth & Zabel LLP, counsel to Ableco Finance LLC, the agent for the Prepetition Term Loan Facility; (k) Akin Gump Strauss Hauer & Feld LLP, counsel to Avenue Investments, L.P.; (l) Bracewell & Giuliani LLP, counsel to the second lien lender group; and (m) Sullivan & Cromwell, counsel to Morgan Stanley. The Debtors submit that no other or further notice need be provided.

CONCLUSION

WHEREFORE, the Debtors respectfully request that the Court enter an order granting the relief requested herein and grant such other and further relief as is just and proper.

Dated: New York, New York
November 17, 2010

SKADDEN, ARPS, SLATE, MEAGHER
& FLOM LLP

By: */s/ Mark A. McDermott*
Mark A. McDermott
Kenneth S. Ziman
Four Times Square
New York, New York 10036
(212) 735-3000

Proposed Counsel for Debtors and
Debtors-in-Possession

Exhibit A

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

**ORDER PURSUANT TO 11 U.S.C. § 363(b)
(I) APPROVING (A) AN EQUITY COMMITMENT AGREEMENT AND (B) A BACKSTOP COMMITMENT AGREEMENT, (II) AUTHORIZING PAYMENT OF CERTAIN RELATED FEES AND EXPENSES THEREUNDER, (III) FURNISHING CERTAIN INDEMNITIES THEREUNDER AND
(IV) GRANTING CERTAIN RELATED RELIEF**

Upon the motion (the "Motion")[1] of the Debtors for entry of an order (the "Order") pursuant to sections 105(a) and 363(b) of title 11 of the United States Code (the "Bankruptcy Code") (i) approving (a) an Equity Commitment Agreement and (b) a Backstop Commitment Agreement, (ii) authorizing payment of certain related fees and expenses thereunder, (iii) furnishing certain indemnities thereunder and (iv) granting certain related relief; and upon the First-Day Declaration; and due and sufficient notice of the Motion having been given under the particular circumstances; and it appearing that no other or further notice need be provided; and it appearing that the relief requested by the Motion is in the best interests of the Debtors, their estates, their creditors and other parties in interest; and after due deliberation thereon and sufficient cause appearing therefor, it is hereby

[1] Capitalized terms used but not defined herein shall have the same meaning ascribed to them in the Motion. The Debtors in these cases, along with the last four (4) digits of each Debtor's federal tax identification number, are Vertis Holdings, Inc. (1556); Vertis, Inc. (8322); ACG Holdings, Inc. (5968); Webcraft, LLC (6725); American Color Graphics, Inc. (3976); and Webcraft Chemicals, LLC (6726).

ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion is GRANTED as set forth in this Order.

2. All objections to the Motion or the relief requested therein, if any, that have not been with withdrawn, waived or settled, and all reservations of rights included therein, are overruled with prejudice.

3. The Equity Commitment Agreement attached to the Motion as Exhibit B and (a) the payment of the fees contemplated thereby, (b) the payment of the expenses of the Backstop Investors, and (c) the indemnification provisions set forth therein are approved.

4. The Backstop Commitment Agreement attached to the Motion as Exhibit C and (a) the payment of the expenses of Avenue, and (b) the indemnification provisions set forth therein are approved.

5. The Debtors are authorized to perform their obligations under the Equity Commitment Agreement and the Backstop Commitment Agreement.

6. The fees and expenses contemplated in the Equity Commitment Agreement and the Backstop Commitment Agreement are hereby approved as reasonable and accorded the status of administrative expense claims pursuant to section 503(b)(1) of the Bankruptcy Code.

7. The indemnification provisions set forth in the Equity Commitment Agreement and the Backstop Commitment Agreement shall constitute legal, valid, and binding obligations of the Debtors and all such obligations are enforceable against the Debtors in accordance with their respective terms, without notice, hearing or further order of the Court.

8. The Debtors are hereby authorized to pay the Backstop Investors the Equity Fee in accordance with, and when earned pursuant to, the Equity Commitment

Agreement. In the event that any Backstop Investor terminates the Equity Commitment Agreement pursuant to its terms, then in lieu of the Equity Fee the Debtors are authorized to pay the Cash Fee to the Backstop Investors in accordance with, and when earned pursuant to, the Equity Commitment Agreement.

9. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

10. The Backstop Investors are hereby granted all rights and remedies provided to them under the Equity Commitment Agreement and the Backstop Commitment Agreement.

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

Dated: New York, New York
_____, 2010

_____
UNITED STATES BANKRUPTCY JUDGE

Exhibit B

EQUITY COMMITMENT AGREEMENT

by and among

VERTIS HOLDINGS, INC.,

VERTIS, INC.,

THE ADDITIONAL COMPANY PARTIES SET FORTH HEREIN

and

the backstop parties set forth herein

Dated as of November 1, 2010

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EQUITY COMMITMENT AGREEMENT

This Equity Commitment Agreement (this "**Agreement**"), dated as of October 29, 2010, is made and entered into by and among (i) Vertis Holdings, Inc., a Delaware corporation ("**Vertis Holdings**"), Vertis, Inc., a Delaware corporation ("**Vertis**"), and the direct and indirect subsidiaries of Vertis Holdings signatory hereto (together with Vertis Holdings and Vertis, the "**Company Parties**"), and (ii) the Backstop Parties identified on Annex I hereto (the "**Backstop Parties**").

RECITALS

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

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

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

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

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

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

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

ARTICLE I
THE PRIVATE PLACEMENT

Section 1.1 Subscription Period; Expiration Time.

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

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

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

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

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

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

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

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

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

ARTICLE II
THE BACKSTOP COMMITMENT

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

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

Section 2.2 Additional Purchase Rights.

(a) Default Purchase Right.

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

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

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

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

Section 2.4 Backstop Consideration; Transaction Expenses.

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

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

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

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

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

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

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

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

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE COMPANY PARTIES

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

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

Section 3.2 Corporate Power and Authority.

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

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

Section 3.3 Execution and Delivery; Enforceability.

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

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

Section 3.4 Capitalization.

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

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

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

Section 3.5 Subsidiaries.

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

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

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

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

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

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

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

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

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

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

Section 3.13 No Violation or Default.

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

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

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

Section 3.15 Title to Intellectual Property.

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

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

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

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

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

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

Section 3.19 Benefit Plans.

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

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

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

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

Section 3.20 Labor and Employment Matters.

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

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

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

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

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

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

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

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

Section 3.25 Tax Matters.

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

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

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

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

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

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

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

Section 3.26 Affiliate Transactions.

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

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

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

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

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

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE BACKSTOP PARTIES

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

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

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

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

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

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

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

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

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

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

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

ARTICLE V
ADDITIONAL COVENANTS OF THE COMPANY PARTIES

Each Company Party agrees with the Backstop Parties.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(j) terminate or cancel any material Contract;

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

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

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

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

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

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

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

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

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

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

Section 5.9 Restructuring and DIP Financing.

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

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

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

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

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

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

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

ARTICLE VI
ADDITIONAL COVENANTS OF THE BACKSTOP PARTIES

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

Section 6.1 Information. To provide the Company Parties with such necessary information as the Company Parties reasonably request regarding the Backstop Parties for inclusion in the Offering Memorandum and Disclosure Statement and Formal Disclosure Statement.

Section 6.2 Further Assurances. Each Backstop Party shall execute and deliver, or cause to be executed and delivered, such further instruments or documents or take such other action and cause entities controlled by such Backstop Party to take such action as may be reasonably necessary (or as reasonably requested by the Company Parties) to carry out the Transactions.

ARTICLE VII
CONDITIONS TO THE OBLIGATIONS OF THE PARTIES

Section 7.1 Conditions to the Obligations of the Backstop Parties. The obligation of each of the Backstop Parties to (i) purchase its portion of Shares in the Private Placement and (ii) to purchase its portion of the Backstop Party Shares pursuant to its Backstop Commitment, in each case on the Closing Date, is subject to the following conditions:

(a) Confirmation Order and Plan. In the event of an In-Court Process, the Confirmation Order shall have been entered by the Bankruptcy Court in form and substance reasonably satisfactory to the Requisite Percentage of Backstop Parties and shall not have been stayed. The Plan, as approved, and the Confirmation Order, as entered, in each case by the Bankruptcy Court, shall be consistent with the requirements for the Plan and the Confirmation Order set forth in Section 5.2 of this Agreement, and the conditions to confirmation and the conditions to the effective date of the Plan shall have been satisfied or waived, with the consent of the Requisite Percentage of Backstop Parties, by Vertis Holdings in accordance with the Plan.

(b) Bankruptcy Court Approval. In the event of an In-Court Process, the Ancillary Agreements shall have been approved by the Bankruptcy Court and shall have been executed by the parties thereto in substantially the same form as the form thereof filed with the Bankruptcy Court.

(c) Representations and Warranties and Covenants. The representations and warranties of the Company Parties set forth in Article III of this Agreement shall be true and correct in all respects as if made at and as of the Closing Date (except for representations and warranties made as of a specified date, which shall be true and correct only as of the specified date); provided that to the extent any representation or warranty is not subject to a materiality or Material Adverse Effect qualification, it shall be true and correct in all material respects. The Company Parties shall have complied in all material respects with all covenants in this Agreement and the Ancillary Agreements applicable to them.

(d) No Material Adverse Effect. Since the date hereof there must have been no event or series of events which would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(e) Alternative Transaction. Neither Vertis Holdings nor any of its Affiliates shall have made a public announcement, entered into an agreement (including any agreement, letter of intent, memorandum of understanding or other such document that is not intended by the parties thereto to constitute a binding contract), or filed any pleading or document with the Bankruptcy Court evidencing its intention to support, or otherwise supporting, any Alternative Transaction.

(f) Exchange Offer. In the event of an Out-of-Court Process (i) Vertis Holdings shall have commenced the Exchange Offer, (ii) the Exchange Offer shall have been conducted in accordance with, and on the terms set forth in, the Offering Memorandum and Disclosure Statement in substantially the form attached as Exhibit B and in accordance with this Agreement, (iii) the Offering Memorandum and Disclosure Statement shall not have been extended, modified, supplemented or amended unless such extension, modification, supplement or amendment is approved by the Requisite Percentage of Backstop Parties, except with respect to immaterial technical or conforming amendments or modifications, and (iv) each of the Exchange Offer Conditions shall have been satisfied or, with the consent of the Requisite Percentage of Backstop Parties, waived.

(g) Private Placement. Vertis Holdings shall have commenced the Private Placement, the Private Placement shall have been conducted in accordance with, and on the terms set forth in, the Offering Memorandum and Disclosure Statement and in accordance with this Agreement and the Expiration Time and the Private Placement Payment Deadline shall have occurred. Each Backstop Party shall have received a Commitment Notice in accordance with Section 1.3 from Vertis Holdings, dated as of the Determination Date, certifying as to the number of Backstop Party Shares to be purchased by each Backstop Party pursuant to its Backstop Commitment.

(h) Shares and Capitalization. The Shares shall be, upon payment of the aggregate Purchase Price as provided herein, validly issued, fully paid, non-assessable and free and clear of all taxes, liens, pre-emptive rights, rights of first refusal, subscription and similar rights (except as provided in the Stockholders Agreement). On the Closing Date (i) in the case of an Out-of-Court Process and assuming that 98% of the Second Lien Notes and Senior PIK Notes are validly tendered for exchange in the Exchange Offers and all holders of Second Lien Notes subscribe for and purchase their respective Allotted Amounts in the Private Placement, no more than 16,700,000 Shares (less the Reduction Amount) will be issued and outstanding, subject to any rounding, or (ii) in the case of an In-Court Process and assuming that all holders of Second Lien Notes subscribe for and purchase their respective Allotted Amounts in the Private Placement, no more than 18,000,000 Shares (less the Reduction Amount) will be issued and outstanding. On the Closing Date, no options, warrants or other rights to acquire capital stock of Vertis Holdings will be outstanding (except as provided in the Stockholders Agreement), subject to any rounding.

(i) No Restraint. No Order shall prohibit the consummation of the Plan, the Private Placement or the Transactions.

(j) Consents and Approvals. All notifications, filings, consents, waivers and approvals of or to any Governmental Authority or any third Person required for the consummation of the Transactions shall have been made or received and shall remain in full force and effect.

(k) Restructuring Financing. The Company Parties shall have consummated the Restructuring Financing with terms and conditions as approved by the Requisite Percentage of Backstop Parties.

(l) Company Certificate. In the event of an Out-of-Court Process, the Backstop Parties shall have received on and as of the Closing Date a certificate from Vertis Holdings confirming that the conditions set forth in Section 7.1(d) and (e) have been satisfied.

(m) Fees, Etc. All fees, Transaction Expenses and other expenses and other amounts required to be paid or reimbursed to the Backstop Parties as of the Closing Date shall have been paid or reimbursed.

(n) Ancillary Agreements. The Company Parties shall have delivered or executed and delivered to the Backstop Parties, the agreements and other documents contemplated by this Agreement including the Ancillary Agreements.

(o) Organizational Documents. The Company Parties shall have filed with the Secretary of State of the State of Delaware an amended and restated certificate of incorporation of Vertis Holdings, and shall have adopted amended and restated by-laws of Vertis Holdings, in each case on the terms specified in Section 5.8.

(p) Existing Stockholders Agreement. The Stockholders Agreement of Vertis Holdings dated as of October 17, 2008 shall have been terminated in all respects.

Section 7.2 Conditions to the Obligations of Vertis Holdings. The obligation of Vertis Holdings to issue and sell the Backstop Party Shares to the Backstop Parties on the Closing Date is subject to the following conditions:

(a) Confirmation Order and Plan. In the event of an In-Court Process, the Confirmation Order shall have been entered by the Bankruptcy Court and such Order shall not have been stayed. The Plan as approved and the Confirmation Order as entered in each case by the Bankruptcy Court shall be consistent with the requirements for the Plan and the Confirmation Order set forth in Section 5.2 of this Agreement, and the conditions to confirmation and the conditions to the Closing Date of the Plan shall have been satisfied or waived by Vertis Holdings in accordance with the Plan.

(b) Aggregate Purchase Price. The Backstop Parties shall have delivered to the Subscription Agent the total aggregate Purchase Price for the Backstop Party Shares.

(c) Representations and Warranties and Covenants. The representations and warranties of each Backstop Party set forth in Article IV of this Agreement shall be true and correct in all respects as if made at and as of the Closing Date (except for representations and warranties made as of a specified date, which shall be true and correct only as of the specified date); provided that to the extent any representation or warranty is not subject to a materiality or Material Adverse Effect qualification, it shall be true and correct in all material respects. Each Backstop Party shall have complied in all material respects with all covenants in this Agreement applicable to it, except as a result of any breach of representations, warranties or covenants by a Defaulting Backstop Party to the extent that one or more Non-Defaulting Backstop Parties purchase all Default Shares pursuant to Section 2.2.

(d) No Restraint. No Order shall prohibit the consummation of the Plan, the Private Placement or the Transactions.

(e) Consents and Approvals. All notifications, filings, consents, waivers and approvals of or to any Governmental Authority required for the consummation of the Transactions shall have been made or received and shall remain in full force and effect.

ARTICLE VIII
INDEMNIFICATION

Section 8.1 Indemnification Generally. Subject, in the case of an In-Court Process, to the approval of this Agreement by the Bankruptcy Court (if required) and subject to the other provisions of this Article VIII, whether or not the Private Placement is consummated or this Agreement or the Backstop Commitment of any Backstop Party is terminated, the Company Parties (in such capacity, the "**Indemnifying Party**"), shall jointly and severally indemnify, defend and hold harmless each Backstop Party and its respective officers, directors, employees, agents, advisors, counsel, representatives, controlling Persons and Affiliates (each an "**Indemnified Person**") from and against any and all claims, damages, losses, liabilities, costs and expenses (including, without limitation, but subject to Section 8.2, reasonable and documented out-of-pocket fees and disbursements of one firm of outside counsel for such Backstop Party plus local counsel) ("**Losses**"), that may be incurred by or asserted or awarded against any Indemnified Person, in each case arising out of or in connection with any claim, challenge, litigation, investigation, objection or proceeding made or initiated by any Person who is not a Backstop Party (collectively, a "**Third Party Claim**") or any threatened Third Party Claim, in each case which relates to the transactions contemplated by this Agreement; provided, however, that the foregoing indemnity shall not, as to any Backstop Party, apply to Losses to the extent they are determined by a final order of a court of competent jurisdiction to have resulted from fraud or the willful misconduct or gross negligence of such Backstop Party. The indemnity, reimbursement and contribution obligations of the Indemnifying Party under this Article VIII shall be in addition to, but not duplicative of, any Liability that the Indemnifying Party may otherwise have to an Indemnified Person and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Indemnifying Party and any Indemnified Person.

Section 8.2 Certain Procedures for Third Party Claims. Promptly after receipt by an Indemnified Person of knowledge that a Third Party Claim exists (a "**Claim Proceeding**"), such

Indemnified Person will, if a claim is to be made hereunder against the Indemnifying Party in respect thereof, promptly (and in any event within ten Business Days) notify the Indemnifying Party in writing of the commencement thereof; provided that (a) the omission so to notify the Indemnifying Party will not relieve it from any Liability that it may have hereunder except to the extent it has been materially prejudiced by such failure and (b) the omission so to notify the Indemnifying Party will not relieve it from any Liability that it may have to an Indemnified Person otherwise than on account of this Article VIII. In case any such Claim Proceedings are brought against any Indemnified Person and it notifies the Indemnifying Party of the commencement thereof, the Indemnifying Party will be entitled to participate therein, and, to the extent that it may elect by written notice delivered to such Indemnified Person, to assume the defense thereof, with counsel reasonably satisfactory to such Indemnified Person; provided that if the defendants in any such Claim Proceedings include both such Indemnified Person and the Indemnifying Party and such Indemnified Person shall have reasonably concluded that there may be legal defenses available to it that are different from or additional to those available to the Indemnifying Party, such Indemnified Person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such Claim Proceedings on behalf of such Indemnified Person. Upon receipt of notice from the Indemnifying Party to such Indemnified Person of its election so to assume the defense of such Claim Proceedings and approval by such Indemnified Person of counsel, the Indemnifying Party shall not be liable to such Indemnified Person for expenses incurred by such Indemnified Person in connection with the defense thereof (other than reasonable costs of investigation) unless (i) such Indemnified Person shall have employed separate counsel in connection with the assertion of legal defenses in accordance with the preceding sentence, (ii) the Indemnifying Party shall not have employed counsel reasonably satisfactory to such Indemnified Person to represent such Indemnified Person within a reasonable time after notice of commencement of the Claim Proceedings or (iii) the Indemnifying Party shall have authorized in writing the employment of counsel for such Indemnified Person.

Section 8.3 Limitations. The Indemnifying Party shall not be liable for any settlement of any Claim Proceedings effected without the Indemnifying Party's written consent (which consent shall not be unreasonably withheld, conditioned or delayed). If any settlement of any Claim Proceeding is consummated with the written consent of the Indemnifying Party or if there is a final Order for the plaintiff in any such Claim Proceedings, the Indemnifying Party agrees to indemnify and hold harmless each Indemnified Person from and against any and all Losses by reason of such settlement or Order in accordance with, and subject to the limitations of, the provisions of this Article VIII. The Indemnifying Party shall not, without the prior written consent of an Indemnified Person (which consent shall not be unreasonably withheld, conditioned or delayed), enter into any settlement of any Claim Proceeding unless such settlement (a) includes an explicit and unconditional release of all Indemnified Persons from the party bringing such Claim Proceeding and (b) does not include a statement as to or an admission of fault, culpability, or a failure to act by or on behalf of any Indemnified Person.

ARTICLE IX
TERMINATION

Section 9.1 Automatic Termination. This Agreement shall automatically terminate if the Bankruptcy Court, or any other court of competent jurisdiction, enters an Order prior to the Closing Date declaring, in a final nonappealable Order, that this Agreement is unenforceable.

Section 9.2 Termination by Backstop Parties. Each of the Backstop Parties may terminate this Agreement as to itself upon written notice to Vertis Holdings of the occurrence of any of the following events:

(a) Alternative Transaction. The filing by Vertis Holdings or any of its Affiliates of any pleading or document with the Bankruptcy Court providing for or contemplating an Alternative Transaction.

(b) Breach or Failure to Perform. If any Company Party breaches or fails to perform in any respect any of its representations, warranties or covenants contained in this Agreement or any Ancillary Agreement and such breach or failure to perform (i) would give rise to the failure of a condition set forth in Section 7.1(d), (ii) cannot be or has not been cured within ten days following delivery by any of the Backstop Parties to Vertis Holdings of written notice of such breach or failure to perform and (iii) has not been waived by the Requisite Percentage of Backstop Parties; provided, however, that the right to terminate this Agreement pursuant to this Section 9.2(b) shall not be available if the failure of the Backstop Party so requesting termination to fulfill any obligation under this Agreement shall have been the cause of, or shall have resulted in, the failure of such condition to be satisfied on or prior to such date.

(c) Disclosure Statement. In the event of an In-Court Process, failure of the Bankruptcy Court to approve the Formal Disclosure Statement by the 60th day after the Petition Date.

(d) Confirmation Order. In the event of an In-Court Process, failure of the Bankruptcy Court to enter a Confirmation Order by the 90th day after the Petition Date.

(e) Restructuring Financing. Upon the occurrence of any acceleration of indebtedness under the Restructuring Financing.

(f) Exclusivity. The Bankruptcy Court issues an Order terminating Vertis Holdings' exclusive rights pursuant to Section 1121 of the Bankruptcy Code to file a plan of reorganization and solicit acceptances thereto.

(g) Consummation of the Private Placement. Failure of the Private Placement to be consummated by the 45th day after the date hereof, in the event of an Out-of-Court Process, or the 120th day after the date hereof, in the event of an In-Court Process, in each case other than by reason of a material breach of this Agreement by such Backstop Party.

(h) Dismissal, Conversion or Appointment of Examiner. In the event of an In-Court Process, if the Company Parties' bankruptcy cases shall have been dismissed or converted to cases under Chapter 7 of the Bankruptcy Code or if an interim or permanent trustee

or an examiner with expanded powers shall have been appointed to oversee or operate Vertis Holdings in its bankruptcy case.

(i) Restructuring Support Agreement. The occurrence of a Support Termination Event as defined in the Restructuring Support Agreement (without giving effect to any waivers or extensions of such Support Termination Event that may be granted or made pursuant to the Restructuring Support Agreement).

Section 9.3 Termination by Vertis Holdings. Vertis Holdings may terminate this Agreement upon written notice to the Backstop Parties of the occurrence of any of the following events:

(a) Breach or Failure to Perform. (i) If any Backstop Party breaches or fails to perform in any respect any of its representations, warranties or covenants contained in this Agreement or any Ancillary Agreement and such breach or failure to perform (A) would give rise to the failure of a condition set forth in Section 7.2, (B) cannot be or has not been cured within ten days following delivery by Vertis Holdings to each of the Backstop Parties of written notice of such breach or failure to perform, provided that any such cure would not result in a material delay of the Closing Date; and (C) has not been waived by Vertis Holdings; provided, however, that the right to terminate this Agreement pursuant to this Section 9.3(a) shall not be available if Vertis Holdings' failure to fulfill any obligation under this Agreement shall have been the cause of, or shall have resulted in, the failure of such condition; provided, further, however, that a breach by any Defaulting Backstop Party shall not give rise to a right to terminate this Agreement, or (ii) in accordance with Section 2.2(a)(i).

Section 9.4 Effect of Termination. Upon termination under this Article IX, all rights and obligations of the parties under this Agreement shall terminate without any Liability of any party to any other party except that nothing contained herein shall release any party hereto from Liability from any breach.

ARTICLE X
ADDITIONAL PROVISIONS

Section 10.1 Notices. All notices and other communications in connection with this Agreement will be in writing and will be deemed given (and will be deemed to have been duly given upon receipt) if delivered personally, sent via electronic facsimile or electronic mail (with confirmation), mailed by registered or certified mail (return receipt requested) or delivered by an express courier (with confirmation) to the parties at the following addresses (or at such other address for a party as will be specified by like notice):

(a) If to the Backstop Parties, to the addresses set forth on Annex I hereto.

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

Bracewell & Giuliani LLP
225 Asylum Street, Suite 2600
Hartford, Connecticut 06103
Attn: Kurt A. Mayr
Facsimile: 860-760-6528
kurt.mayr@bgllp.com

and

Akin Gump Strauss Hauer & Feld LLP
One Bryant Park
NY, NY 10036
Attn: Ira Dizengoff; Robby Tennenbaum
Fascimile: (212) 872-1002
idizengoff@akingump.com; rtennenbaum@akingump.com

(b) If to any Company Party, to:

David Glogoff
250 West Pratt Street
Baltimore, MD 21201
Facsimile: (___) ____-_____
dglogoff@vertisinc.com

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

Skadden, Arps, Slate, Meagher and Flom LLP
4 Times Square
New York, New York 10036
Attn: Ken Ziman; Mark McDermott
Facsimile: 212-735-2000
ken.ziman@skadden.com; mark.mcdermott@skadden.com

Section 10.2 Assignment; Third Party Beneficiaries.

(a) Neither this Agreement nor any of the rights, interests or obligations under this Agreement may be assigned by any Company Party (whether by operation of law or otherwise) without the prior written consent of each Backstop Party.

(b) This Agreement and a Backstop Party's Backstop Commitment and rights hereunder may be sold, assigned, delegated and transferred by a Backstop Party (i) in whole or in part to any Affiliate of such Backstop Party (including clients and funds under management over which such Backstop Party or any of its Affiliates exercise investment authority, including, without limitation, with respect to voting and dispositive rights) in accordance with Section 2.8 or (ii) pursuant to a Third Party Offer (as defined below) in accordance with Section 10.2(c), but may not otherwise by sold, assigned, delegated or transferred.

(c) In the event that any Person who is not an Affiliate of the Backstop Party makes a binding written offer to purchase the entire Backstop Commitment of each Backstop Party that is approved by the Requisite Percentage of Backstop Parties and that is for a cash purchase price to be allocated among Backstop Parties strictly in accordance with their respective Backstop Commitments (a "**Third Party Offer**"), then (i) this Agreement and each Backstop Party's Backstop Commitment and rights hereunder may be sold, assigned, delegated and transferred to such Person pursuant to such Third Party Offer and (ii) the Backstop Parties constituting the Requisite Percentage of Backstop Parties that approved such Third Party Offer (the "**Approving Backstop Parties**") shall have the right to require each other Backstop Party to participate in the sale of the Backstop Commitments by selling all of such Backstop Party's Backstop Commitment and other rights under this Agreement pursuant to the terms of the Third Party Offer. Promptly following the approval of a Third Party Offer by the Requisite Percentage of Backstop Parties, the Approving Backstop Parties shall deliver a notice (the "**Third Party Offer Notice**") to each Backstop Party of such Third Party Offer and the approval thereof, and such notice shall include a copy of the Third Party Offer. The closing of the sale of the Backstop Commitments pursuant to the Third Party Offer shall occur on a Business Day selected by the Approving Backstop Parties, which shall be no earlier than five Business Days following delivery of the Third Party Offer Notice and at least five Business Days prior to the Closing Date. Each Backstop Party agrees to participate in, to sell all of its Backstop Commitment pursuant to, and to raise no objection to, such a Third Party Offer, and further agrees to execute and deliver at the closing of such sale any and all agreements and instruments reasonably requested by the Approving Backstop Parties to document and effectuate such sale. For the avoidance of doubt, any transfer of a Backstop Commitment pursuant to a Third Party Offer will not affect each Backstop Party's obligation to subscribe for the maximum amount of Shares such Backstop Party is eligible to purchase in the Private Placement and pay its aggregate Purchase Price in connection with the Private Placement, in each case, in accordance with Section 1.4.

(d) Notwithstanding the foregoing or any other provisions herein, no such assignment will relieve the assigning Backstop Party of its obligations hereunder unless Vertis Holdings shall have consented in writing to such assignment. This Agreement (including the documents and instruments referred to in this Agreement) is not intended to and does not confer upon any Person other than the parties hereto and any of their assignees any rights or remedies under this Agreement. Any assignee hereunder shall be a party to this Agreement and, to the extent of the interest sold, assigned or transferred, shall have all rights of the assignor under this Agreement. The Company Parties agree to execute and deliver, or cause to be executed and delivered, all such instruments and documents, and to take all such action as may be necessary or as such assignee may reasonably request, in order to cause assignee to become the legal and beneficial owner of the interest sold, assigned or transferred to it and to receive all notices, distributions, Shares or other rights and benefits assignor was entitled to under this Agreement.

Section 10.3 Prior Negotiations; Entire Agreement. This Agreement (including the Ancillary Agreements) and any certificates, documents, instruments and writings delivered pursuant to it represent the complete agreement between the parties hereto as to all matters covered hereby, and supersede any prior agreements or understandings between the parties.

Section 10.4 Governing Law; Venue. THIS AGREEMENT, AND ALL CLAIMS ARISING OUT OF OR RELATING THERETO, WILL BE GOVERNED AND CONSTRUED

IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK. THE BACKSTOP PARTIES HEREBY IRREVOCABLY SUBMIT TO THE JURISDICTION OF, AND VENUE IN, THE UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK AND WAIVE ANY OBJECTION BASED ON *FORUM NON CONVENIENS*.

Section 10.5 Waiver of Consequential Damages. NO PARTY WILL BE ENTITLED TO RECOVER FROM ANY OTHER PARTY (PURSUANT TO THE INDEMNIFICATION PROVISIONS OF THIS AGREEMENT OR OTHERWISE) FOR ANY LOSSES, COSTS, EXPENSES OR DAMAGES IN EXCESS OF THE ACTUAL DAMAGES, COURT OR ARBITRATION COSTS AND REASONABLE ATTORNEY FEES SUFFERED BY SUCH PARTY, AND THE PARTIES WAIVE ANY RIGHT TO RECOVER CONSEQUENTIAL, SPECIAL, PUNITIVE, INDIRECT, INCIDENTAL OR EXEMPLARY DAMAGES ARISING IN CONNECTION WITH OR WITH RESPECT TO THIS AGREEMENT; PROVIDED, THAT SUCH WAIVER SHALL NOT APPLY TO ANY SUCH DAMAGES THAT ARE PAYABLE BY AN INDEMNIFYING PARTY PURSUANT TO ARTICLE VIII IN CONNECTION WITH A THIRD PARTY CLAIM.

Section 10.6 Counterparts. This Agreement may be executed in one or more counterparts, and may be delivered by means of facsimile or electronic transmission in portable document format, each of which shall be deemed to be an original and shall be binding upon the party who executed the same, but all of such counterparts shall constitute the same agreement. The failure of any Backstop Party to execute this Agreement does not make it invalid as against any other Backstop Party.

Section 10.7 Waivers and Amendments. This Agreement (including the exhibits and schedules hereto) may be amended, modified, superseded, cancelled, renewed or extended, and the terms and conditions of this Agreement may be waived, only by a written instrument signed by Vertis Holdings and a Requisite Percentage of Backstop Parties and, to the extent required, the approval of the Bankruptcy Court; provided, however, that the amendment, modification, supersession, cancellation, renewal, extension or waiver of any of the following provisions (unless otherwise expressly provided in the relevant section) shall require the express written consent of each Backstop Party: Article II, Section 7.1, Section 9.2, Section 10.2 and this Section 10.7. Each Backstop Party may grant or withhold such Backstop Party's written consent to any amendment, modification, supersedence, cancellation, renewal or extension pursuant to the prior sentence in its sole discretion. No delay on the part of any party in exercising any right, power or privilege pursuant to this Agreement will operate as a waiver thereof, nor will any waiver on the part of any party of any right, power or privilege pursuant to this Agreement, nor will any single or partial exercise of any right, power or privilege pursuant to this Agreement, preclude any other or further exercise thereof or the exercise of any other right, power or privilege pursuant to this Agreement. The rights and remedies provided pursuant to this Agreement are cumulative and are not exclusive of any rights or remedies which any party otherwise may have at law or in equity.

Section 10.8 Interpretation and Construction. This Agreement has been freely and fairly negotiated among the parties. If an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the parties and no presumption or

burden of proof will arise favoring or disfavoring any party because of the authorship of any provision of this Agreement. Capitalized terms used in this Agreement and not otherwise defined herein shall have the respective meanings ascribed thereto in Annex II. Unless the context requires otherwise, any agreements, documents, instruments or Laws defined or referred to in this Agreement will be deemed to mean or refer to such agreements, documents, instruments or laws as from time to time amended, modified or supplemented, including (a) in the case of agreements, documents or instruments, by waiver or consent and (b) in the case of laws, by succession of comparable successor statutes. All references in this Agreement to any particular law will be deemed to refer also to any rules and regulations promulgated under that Law. The words "include," "includes" and "including" will be deemed to be followed by "without limitation." The word "or" is used in the inclusive sense of "and/or" unless the context requires otherwise. References to a Person are also to its permitted successors and assigns. When a reference in this Agreement is made to an Article, Section, Exhibit, Annex or Schedule, such reference is to an Article or Section of, or Exhibit, Annex or Schedule to, this Agreement unless otherwise indicated. The words "this Agreement," "herein," "hereof," "hereby," "hereunder" and words of similar import refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited. If any party has breached any representation, warranty or covenant contained herein in any respect, the fact that there exists another representation, warranty or covenant relating to the same subject matter (regardless of the relative levels of specificity) which the party has not breached will not detract from or mitigate the fact that the party is in breach of the first representation, warranty or covenant.

Section 10.9 Headings. The headings in this Agreement are for reference purposes only and will not in any way affect the meaning or interpretation of this Agreement.

Section 10.10 Specific Performance. The parties acknowledge and agree that any breach of the terms of this Agreement would give rise to irreparable harm for which money damages would not be an adequate remedy, and, accordingly, the parties agree that, in addition to any other remedies, each will be entitled to enforce the terms of this Agreement by an Order of specific performance without the necessity of proving the inadequacy of money damages as a remedy and without the need of posting a bond.

Section 10.11 Severability. In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

Section 10.12 Publicity. The Company Parties will submit to counsel for the Ad Hoc Second Lien Noteholder Group all press releases, public filings, public announcements or other communications with any news media relating to this Agreement or the transactions contemplated hereby and any amendments thereof. The Company Parties shall not (a) use the name of any Backstop Party in any press release without such Backstop Party's prior written consent or (b) disclose to any person, other than legal, accounting, financial and other advisors to

the Company Parties, the principal amount or percentage of Second Lien Notes held by any Backstop Party or any of its respective subsidiaries; provided, however, that the Company Parties shall be permitted to disclose at any time the aggregate principal amount of, and aggregate percentage of Second Lien Notes held by the Backstop Parties as a group. Notwithstanding the foregoing, the Backstop Parties hereby consent to the disclosure by the Company Parties in the Plan and the documents related to the Out-of-Court Process or the documents related to the Plan, as applicable, as well as any required filings by the Backstop Parties with the Bankruptcy Court or as otherwise required by law or regulation, of the execution, terms and contents of this Agreement and the aggregate principal amount of, and aggregate percentage of Second Lien Notes held by, the Backstop Parties as a group.

Section 10.13 Non-Recourse. No past, present or future director, officer, employee, incorporator, member, partner, stockholder, Affiliate, agent, attorney or representative of any Backstop Party shall have any liability for any obligations or liabilities of the Backstop Parties under this Agreement or for any claim based on, in respect of, or by reason of, the transactions contemplated hereby.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date first written above.

THE COMPANY PARTIES:

VERTIS HOLDINGS, INC.

By: _____
Name: _____
Title: _____

VERTIS, INC.

By: _____
Name: _____
Title: _____

ACG HOLDINGS, INC.

By: _____
Name: _____
Title: _____

AMERICAN COLOR GRAPHICS, INC.

By: _____
Name: _____
Title: _____

WEBCRAFT CHEMICALS, LLC
By Vertis, Inc., its sole member

By: _____
Name: _____
Title: _____

WEBCRAFT, LLC

By: _____
Name: _____
Title: _____

Annex II

Index of Defined Terms

"**Ad Hoc Second Lien Noteholder Group**" means, collectively, Archview Investment Group, Barclays Capital, Brencourt Advisors, LLC, Citadel Securities LLC, Citigroup Global Markets Inc., MFC Global Investment Management, Morgan Stanley, Alden Global Capital and Troob Capital Management, LLC.

"**Affiliate**" of any particular Person means any other Person directly or indirectly controlling, controlled by or under common control with such Person.

"**Alternative Transaction**" means any transaction providing for or contemplating (i) a capital raising transaction, including a plan of reorganization, that does not contemplate or is inconsistent with the Private Placement, (ii) a sale of any equity or debt securities of Vertis Holdings or any of its Subsidiaries or (iii) a sale of all or substantially all the assets of Vertis Holdings or any of its Subsidiaries; provided, however, that any transaction approved by the Requisite Percentage of Backstop Parties shall not be considered an Alternative Transaction.

"**Ancillary Agreements**" means the Stockholders Agreement.

"**Backstop Percentage**" means the percentage set forth for each Backstop Party on Annex I.

"**Business Day**" means any day that is not a Saturday, Sunday, legal holiday or other day on which commercial banks in New York, New York are authorized or required by applicable law to close.

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Commission**" means the United States Securities and Exchange Commission.

"**Company Benefit Plan**" means any plan, program, arrangement or agreement that is a pension, profit-sharing, savings, retirement, employment, consulting, severance pay, termination, executive compensation, incentive compensation, deferred compensation, bonus, stock purchase, stock option, phantom stock or other equity-based compensation, change-in-control, retention, salary continuation, vacation, sick leave, disability, death benefit, group insurance, hospitalization, medical, dental, life (including all individual life insurance policies as to which Vertis Holdings is the owner, the beneficiary, or both), "cafeteria" or "flexible" benefit, employee loan, educational assistance or fringe benefit plan, program, arrangement or agreement, whether written or oral) other employee benefit plans, agreements, programs, policies, arrangements or payroll practices, whether or not subject to ERISA (including any funding mechanism therefor now in effect or required in the future as a result of the Transactions or otherwise) under which any current or former officer, director, employee, leased employee, consultant or agent (or their respective beneficiaries) of Vertis Holdings has any present or future right to benefits or to which Vertis Holdings could have any Liability

"**Contract**" means any agreement, lease, license, evidence of indebtedness, mortgage, indenture, security agreement or other contract.

"**DIP Financing**" means any post-petition financing under Section 364 of Title 11 of the Bankruptcy Code as now and hereinafter in effect, or any other Federal, state or foreign bankruptcy, insolvency, receivership or similar law.

"**DOL**" means the U.S. Department of Labor.

"**Eligible Holder**" has the meaning given such term in the Offering Memorandum and Disclosure Statement.

"**Encumbrance**" means any liens, pledges, charges, mortgages, security interests, pre-emptive rights, easements, encumbrances or other similar rights of others.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any regulations promulgated thereunder.

"**ERISA Affiliate**" means, with respect to any Company Party, any trade or business (whether or not incorporated) that, together with such Company Party, are treated as a single employer within the meaning of Sections 414(b), (c), (m) or (o) of the IRC.

"**ERISA Event**" means with respect to any Company Party or any ERISA Affiliate, (a) any event described in Section 4043(c) of ERISA with respect to a Title IV Plan; (b) the withdrawal of any Company Party or ERISA Affiliate from a Title IV Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer, as defined in Section 4001(a)(2) of ERISA; (c) the complete or partial withdrawal of any Company Party or any ERISA Affiliate from any Multiemployer Plan; (d) the filing of a notice of intent to terminate a Title IV Plan or the treatment of a plan amendment as a termination under Section 4041 of ERISA; (e) the institution of proceedings to terminate a Title IV Plan or Multiemployer Plan by the PBGC; (f) the failure by any Company Party or ERISA Affiliate to make when due required contributions to a Multiemployer Plan or Title IV Plan unless such failure is cured within 30 days; (g) any other event or condition that might reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Title IV Plan or Multiemployer Plan or for the imposition of liability under Section 4069 or 4212(c) of ERISA; (h) the termination of a Multiemployer Plan under Section 4041A of ERISA or the reorganization or insolvency of a Multiemployer Plan under Section 4241 or 4245 of ERISA; or (i) the loss of a Qualified Plan's qualification or tax exempt status; or (j) the termination of an ERISA Plan described in Section 4064 of ERISA, in each case of clauses (a) through (j), that individually or in the aggregate could reasonably be expected to result in liabilities to the Company Parties and their ERISA Affiliates in excess of $500,000.

"**ERISA Plan**" means at any time, an "employee benefit plan," as defined in Section 3(3) of ERISA, that any Company Party or ERISA Affiliate maintains, contributes to or has an obligation to contribute to on behalf of participants who are or were employed by any Company Party.

"**ESOP**" means an ERISA Plan that is intended to satisfy the requirements of Section 4975(e)(7) of the IRC.

"**Exchange Offer Conditions**" means the conditions to Vertis Holdings' obligation to consummate the Exchange Offer, as set forth in the Offering Memorandum and Disclosure Statement attached hereto as Exhibit B, without giving effect to any modification or amendment thereto unless approved by the Requisite Percentage of Backstop Parties.

"**Executory Contract**" has the meaning given such term in the Bankruptcy Code.

"**Foreign Pension Plan**" means any plan, fund (including, without limitation, any super-annuation fund) or other similar program established or maintained outside of the United States of America by any Company Party or any Subsidiary of any Company Party primarily for the benefit of employees of such Company Party or Subsidiary residing outside the United States of America, which plan, fund, or similar program provides or results in retirement income, a deferral of income in contemplation of retirement or payments to be made upon termination of employment, and which is not subject to ERISA or the Code..

"**Governmental Authority**" means (a) any court, tribunal, judicial or arbitral body and (b) any government, multilateral organization or international organization or any agency, bureau, board, commission, ministry, authority, department, official, political subdivision or other instrumentality thereof, whether federal, state or local, domestic or foreign as well as any Persons owned or chartered by any of the foregoing.

"**Hazardous Materials**" means (a) any petroleum products or by products and all other hydrocarbons, coal, ash, radon, gas, asbestos, urea, formaldehyde form insulation, polycarbonated biphenyls, chlorofluorocarbons and all other ozone-depleting substances and (b) any chemical, material substance or waste that is prohibited, limited or regular by or pursuant to any Environmental laws.

"**Intellectual Property**" means any and all intellectual property rights of a material nature worldwide, including (a) registered and unregistered copyrights in both published works and unpublished works and other works of authorship in any media (including print and electronic), (b) fictitious business names, trading names, domain names, corporate names, trade dress, registered and unregistered trademarks, service marks, and all applications and registrations thereof, (c) any (i) patents and applications thereof and all reissues, divisionals, renewals, extensions, provisionals, continuations and continuations-in-part thereof, and (ii) business methods, inventions, disclosures, improvements and discoveries that may be patentable, (d) computer software (source code and object code) or middleware, and (e) know-how, trade secrets, confidential information, customer lists, technical information, data, data bases, process technology, plans, drawings, blue prints, licenses, and other rights corresponding to each of the foregoing throughout the World without limitation.

"**IRS**" means the Internal Revenue Service.

"**Knowledge**" means, with respect to any Person, actual knowledge of such Person and the actual knowledge of any officer or key employee or consultant of such Person (including any knowledge which persons in their positions should reasonably be expected to have or could be

expected to discover in the course of conducting a reasonable investigation concerning the existence of such fact or matter).

"**Law**" means any foreign, federal, state or local law, statute, treaty, rule, directive, regulation, ordinance, practice, circular or similar provision having the force or effect of law or any Order.

"**Liability**" means any liability or obligation of any kind, whether accrued, absolute, fixed or contingent or otherwise, whether known or unknown.

"**Material Adverse Effect**" means any circumstance, change in or effect on Vertis Holdings and its Subsidiaries, taken as a whole, that individually or in the aggregate with all other circumstances, changes in or effects on Vertis Holdings and its Subsidiaries, taken as a whole, is or is reasonably likely to be materially adverse to the business, operations, assets or liabilities (including contingent liabilities), results of operations or the conditions (financial or otherwise) of Vertis Holdings and its Subsidiaries, taken as a whole; provided, however, that any circumstance, change or effect arising out of or resulting from: (i) conditions generally affecting the United States economy or generally affecting the industries in which Vertis Holdings and its Subsidiaries operate; (ii) any act of terrorism within or outside the United States of America directed against its facilities or citizens wherever located, similar calamity or war in which the United States of America is involved; (iii) conditions generally affecting the financial, banking or securities markets (including any disruption thereof and any decline in the price of any security or any market index); (iv) changes in GAAP or other similar accounting requirements in foreign countries which are not specific to Vertis Holdings and its Subsidiaries; (v) changes in any laws, rules, regulations, orders, or other binding directives issued by any Governmental Authority; (vi) any action taken by Vertis Holdings or its Subsidiaries which is expressly permitted or required by this Agreement or which is requested by the Backstop Parties; (vii) any adverse change in or effect on the business of Vertis Holdings that is cured by Vertis Holdings before the Closing Date; (viii) to the extent demonstrable by Vertis Holdings, the public announcement, pendency or completion of the Transactions; or (ix) any failure, in and of itself, by Vertis Holdings or any of its Subsidiaries to meet any internal or disseminated projections, forecasts or revenue or earnings predictions for any period (it being understood that the facts and circumstances giving rise or contributing to such failure may be taken into account in determining whether there has been a Material Adverse Effect), shall not be taken into account in determining whether a "Material Adverse Effect" has occurred or would reasonably be expected to occur; provided, further, however, that any circumstance, change or effect described in clauses (i) – (v), shall not, either alone or in combination, constitute a "Material Adverse Effect" only if the impact of such circumstance, change or effect on Vertis Holdings and its Subsidiaries, taken as a whole, is not materially disproportionate as compared to its impact on other participants in the industries in which Vertis Holdings and its Subsidiaries operate**.**

"**Multiemployer Plan**" means a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA, and to which any Company Party or ERISA Affiliate is making, is obligated to make or has made or been obligated to make, contributions on behalf of participants who are or were employed by any of them.

"**Order**" means any judgment, injunction, decree, order or award of any Governmental Authority.

"**Pension Plan**" means an ERISA Plan described in Section 3(2) of ERISA.

"**Permitted Encumbrances**" means, with respect to each parcel of Owned Real Property, (a) real estate taxes, assessments and other governmental levies, fees or charges imposed with respect to such parcel which are not yet due and payable as of the Closing Date or are being contested, (b) mechanics', carriers', workmens', repairmens', contractors' or other similar Liens with respect to such parcel incurred in the ordinary course of business for amounts which has not or would not reasonably be expected to have a Material Adverse Effect (or any other Liens against which Vertis Holdings' or any of its Subsidiaries' title insurer shall be prepared to insure), (c) zoning, building and other land use laws imposed by any Governmental Authority having jurisdiction over such parcel, (d) easements, covenants, conditions, restrictions and other similar matters of record affecting title to such parcel which would not materially impair the use, occupancy or value of such parcel and other title defects in the operation of the business of Vertis Holdings and the Subsidiaries, (e) Liens for any financing secured by such Owned Real Property that is an obligation of Vertis Holdings or any of the Subsidiaries that will not be paid off at the Closing Date and (f) matters that would be disclosed on a correct ALTA survey (other than any material matters of which the Company Parties have Knowledge as of the date hereof).

"**Person**" means an individual, corporation, partnership, limited liability company, limited liability partnership, syndicate, person, trust, association, organization or other entity, including any Governmental Authority, and including any successor, by merger or otherwise, of any of the foregoing.

"**Proceeding**" means any claim, action, suit, inquiry, proceeding, audit or investigation by or before any Governmental Authority.

"**Qualified Plan**" means a Pension Plan that is intended to be tax-qualified under Section 401(a) of the IRC.

"**Requisite Percentage of Backstop Parties**" means Backstop Parties (other than any Defaulting Backstop Parties) holding a majority (in amount) of the aggregate Backstop Commitments (other than the Backstop Commitments of any Defaulting Backstop Parties) and each of Avenue Investments L.P. and Alden Global Capital, so long as such entity is not a Defaulting Backstop Party.

"**Restructuring Financing**" means the replacement and refinancing of the Revolving Credit Agreement and Term Loan Credit Agreement with a new revolving credit facility in an amount of $175 million and a new term loan in an amount of $425 million, on terms and conditions reasonably approved by the Requisite Percentage of Backstop Parties, in each case, to be available to Vertis Holdings following the Restructuring, whether accomplished through an In-Court Process or an Out-of-Court Process.

"**Restructuring Support Agreement**" means the restructuring support agreement dated the date hereof by and among Vertis Holdings, the Company Parties and the holders of Second Lien Notes parties thereto.

"**Revolving Credit Agreement**" means the Senior Secured Credit Agreement dated as of October 17, 2008 by and among Vertis, Vertis Holdings, the guarantors and credit parties named therein, General Electric Capital Corporation, as agent, and the lenders from time to time party thereto, as amended, restated, supplemented or otherwise modified as of the date hereof.

"**Retiree Welfare Plan**" means, at any time, a Welfare Plan that provides for continuing coverage or benefits for any participant or any beneficiary of a participant after such participant's termination of employment, other than continuation coverage provided pursuant to Section 4980B of the IRC and at the sole expense of the participant or the beneficiary of the participant.

"**Securities Act**" means the Securities Act of 1933, as amended.

"**Securities Laws**" means the Securities Act and the Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder.

"**Stockholders Agreement**" means the stockholders agreement of Vertis Holdings, to be dated as of the Closing Date, among Vertis Holdings and substantially all holders of Shares in form and substance reasonably satisfactory to the Requisite Percentage of Backstop Parties and having the terms set forth on Exhibit C hereto.

"**Term Loan Credit Agreement**" means the Term Loan Credit Agreement dated as of October 17, 2008 by and among Vertis, Vertis Holdings, the guarantors named therein, Ableco Finance LLC, as agent, and the lenders from time to time party thereto, as amended, restated, supplemented or otherwise modified as of the date hereof.

"**Title IV Plan**" means a Pension Plan (other than a Multiemployer Plan), that is covered by Title IV of ERISA, and that any Company Party or ERISA Affiliate maintains, contributes to or has an obligation to contribute to on behalf of participants who are or were employed by any of them.

"**Unfunded Pension Liability**" means, at any time, the aggregate amount, if any, of the sum of (a) the amount by which the present value of all accrued benefits under each Title IV Plan exceeds the fair market value of all assets of such Title IV Plan allocable to such benefits in accordance with Title IV of ERISA, all determined as of the most recent valuation date for each such Title IV Plan using the actuarial assumptions for funding purposes in effect under such Title IV Plan, and (b) for a period of 5 years following a transaction which might reasonably be expected to be covered by Section 4069 of ERISA, the liabilities (whether or not accrued) that could be avoided by any Company Party or any ERISA Affiliate as a result of such transaction.

"**Welfare Plan**" means an ERISA Plan described in Section 3(l) of ERISA.

Term	Section
Action	Section 5.5(k)(i)
Additional Default Purchase Right	Section 2.2(a)(ii)
Additional Default Shares	Section 2.2(a)(ii)
Adequate Reserves	Section 3.25(a)
Agreement	Preamble
Allotted Amount	Recitals
Approving Backstop Parties	Section 10.2(c)
Avenue	Section 1.5
Avenue Term Loan Claim	Section 1.5
Backstop Commitment	Section 2.1(a)
Backstop Consideration	Section 2.4(a)
Backstop Parties	Preamble
Backstop Party Default	Section 2.2(a)(i)
Backstop Party Shares	Recitals
Bankruptcy Code	Section 2.4(d)
Bankruptcy Court	Recitals
Bankruptcy Rules	Section 3.2(a)
Cash Backstop Consideration	Section 2.4(a)
Citi	Section 1.6
Citi Allocated Shares	Section 1.6
Claim Proceeding	Section 8.2
Closing Date	Section 1.2
Commencement Date	Section 1.1(a)
Commitment Notice	Section 1.4
Company Assets	Section 3.11
Company Parties	Preamble
Confirmation Order	Section 5.1
Defaulting Backstop Party	Section 2.2(a)(i)
Default Purchase Right	Section 2.2(a)(i)
Default Shares	Section 2.2(a)(i)
Determination Date	Section 1.4
Environmental Laws	Section 3.18
Exchange	Recitals
Exchange Offer	Recitals
Expiration Time	Section 1.1(a)
Financial Statements	Section 3.9
Formal Disclosure Statement	Section 5.1
GAAP	Section 3.9
In-Court Process	Recitals
Indemnified Person	Section 8.1
Indemnifying Party	Section 8.1
Individual Expense Cap	Section 2.4(c)
Labor Disruption	Section 3.20(a)
Losses	Section 8.1

Term	Section
Non-Defaulting Backstop Parties	Section 2.2(a)(i)
Offering Memorandum and Disclosure Statement	Recitals
Offered Shares	Section 1.1
Out-of-Court Process	Recitals
Owned Real Property	Section 3.24
Petition Date	Section 2.4(d)
Plan	Recitals
Private Placement	Recitals
Private Placement Payment Deadline	Section 1.1(b)
Private Placement Party	Section 1.1(b)
Purchase Price	Recitals
Real Property Leases	Section 3.24
Reduction Amount	Section 1.3
Related Party	Section 3.26
Second Lien Notes	Recitals
Senior PIK Notes	Recitals
Series A Second Lien Notes	Recitals
Series B Second Lien Notes	Recitals
Series C Second Lien Notes	Recitals
Shares	Recitals
Subscription Agent	Section 5.3
Subscription Form	Section 1.1(b)
Subscription Period	Section 1.1(a)
Subsidiary/Subsidiaries	Section 3.1
Tax Return	Section 3.25(a)
Taxes	Section 3.25(a)
Third Party Claim	Section 8.1
Third Party Offer	Section 10.2(c)
Third Party Offer Notice	Section 10.2(c)
Transaction Expenses	Section 2.4(c)
Transactions	Section 2.4(c)
Transferring Backstop Party	Section 10.2(c)
Vertis	Preamble
Vertis Holdings	Preamble

Exhibit C

APPENDIX I

AVENUE CAPITAL MANAGEMENT

November , 2010

Vertis, Inc.
9775 Walnut Street
Suite D1
Boulder, CO 80301

Attention: Mr. Gerald Sokol, Jr.
Chief Financial Officer

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

Ladies and Gentlemen:

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

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

To provide assurance that the Replacement Facility will be fully funded, Avenue Investments, L.P., Avenue-CDP Global Opportunities Fund, L.P., Avenue International Master, L.P., Avenue Special Situations Fund IV, L.P. and Avenue Special Situations Fund V, L.P. (collectively, "*Avenue*" or the "*Backstop Purchasers*") hereby commit that, in the event the Company is unable to obtain the full amount of the Replacement Term Loan contemplated by the Restructuring, Avenue shall assign to the Company on the date of closing of the Out-of-Court Transaction or Effective Date of the Plan, as applicable, claim(s) arising under or in connection with the Term Loan Credit Agreement, including claim(s) on account of Vertis Holdings' or its subsidiaries' guarantee of Vertis, Inc.'s obligations arising under or in connection with the Term Loan Credit Agreement (the "*Term Loan Claims*") held by Avenue in exchange for up to $80 million of the Replacement Term Loan (the "*Avenue Backstop Commitment*") on the terms described herein, in the Offering Memorandum and in the Plan. The face amount of Term Loan Claims to be so exchanged shall be equal to the amount by which $425 million exceeds the aggregate amount of Replacement Term Loan received by or irrevocably committed to the Company from third parties (excluding the commitment letter dated on or about November 1, 2010 between the Company and Morgan Stanley Senior Funding, Inc. relating to the Replacement Term Loan (the "Commitment Letter"), but in no event in excess of $80 million. For the avoidance of doubt,

the Avenue Backstop Commitment shall not be funded in cash. In the event any lender under the Replacement Term Loan receives any upfront or funding fee (including in the form of original issue discount) in connection with its commitment and/or funding of the Replacement Term Loan, the Company agrees that it shall pay in cash a corresponding amount to the Backstop Purchasers in respect to the portion of Avenue Backstop Commitment utilized hereunder. The Backstop Purchasers represent that they are Accredited Investors.

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

Whether or not the transactions contemplated hereby are consummated, the Company agrees to: (x) pay within 10 business days of demand the reasonable and documented out-of-pocket fees, expenses, disbursements and charges of the Backstop Purchasers incurred previously or in the future relating to the exploration and discussion of the Restructuring, alternative financing structures to the Avenue Backstop Commitment or to the preparation and negotiation of this Avenue Backstop Agreement, the Plan, the Equity Commitment Agreement, the Plan Documents or the Corporate Governance Documents (including, without limitation, in connection with the enforcement or protection of any rights and remedies under the Corporate Governance Documents) and, in each of the foregoing cases, the proposed documentation and the transactions contemplated thereunder, including, without limitation, the fees and expenses of counsel to the Backstop Purchasers and (y) indemnify and hold harmless the Backstop Purchasers and their respective general partners, members, managers and equity holders, and the respective officers, employees, affiliates, advisors, agents, attorneys, financial advisors, accountants, consultants of each such entity, and to hold the Backstop Purchasers and such other persons and entities (each an "*Indemnified Person*") harmless from and against any and all losses, claims, damages, liabilities and expenses, joint or several, which any such person or entity may incur, have asserted against them or be involved in as a result of or arising out of or in any way related to this letter, the matters referred to herein, the Plan, the Equity Commitment Agreement, the proposed Avenue Backstop Commitment contemplated hereby, the use of proceeds thereunder or any related transaction or any claim, litigation, investigation or proceeding relating to any of the foregoing (other than disputes solely among Backstop Purchasers), regardless of whether any of such Indemnified Persons is a party thereto, and to reimburse each of such Indemnified Persons upon 10 business days of demand for any legal or other expenses incurred in connection with any of the foregoing; *provided*, *however*, that the foregoing indemnity shall not, as to any Backstop Party, apply to Losses to the extent they are determined by a final order of a court of competent jurisdiction to

have resulted from the fraud, willful misconduct or gross negligence of such Backstop Party. Notwithstanding any other provision of this letter, no Indemnified Person will be liable for any special, indirect, consequential or punitive damages in connection with its activities related to the Avenue Backstop Commitment. The terms set forth in this paragraph survive termination of this Avenue Backstop Agreement and shall remain in full force and effect regardless of whether the documentation for the Offering is executed and delivered.

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

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

The obligations of the Backstop Purchasers to fund the Avenue Backstop Commitment shall terminate and all obligations of the Company (other than the obligations of the Company to (i) pay the reimbursable fees and expenses, and (ii) satisfy their indemnification obligations, in each case, as set forth herein) shall be of no further force or effect, upon the giving of written notice of termination by the Backstop Purchasers, only in the event that any of the termination events set forth in the Restructuring Support Agreement dated October or Equity Commitment Agreement shall occur, unless any such termination event is expressly waived in writing hereunder by the Backstop Purchasers; *provided*, *however* that any such termination event cannot be waived by the Backstop Purchasers in the event that such termination event under the Restructuring Support Agreement or the Equity Commitment Agreement is in favor of or exercisable only by the Company.

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

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

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

This Avenue Backstop Agreement constitutes the entire understanding among the parties hereto with respect to the subject matter hereof and replaces and supersedes all prior agreements and understandings, both written and oral, between the parties hereto with respect to the subject matter

hereof and shall become effective and binding upon (i) the mutual exchange of fully executed counterparts and (ii) the entry of the order confirming the Plan.

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

Very truly yours,

[SIGNATURE PAGES TO FOLLOW]

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

VERTIS, INC.

By: /s/

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