

IN THE UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

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: **Chapter 11**
: **Case No. 08-11460 (CSS)**
: **(Jointly Administered)**
: **Debtors.**
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INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO (A)(i) OBTAIN POSTPETITION SENIOR SECURED SUPER-PRIORITY FINANCING PURSUANT TO 11 U.S.C. §§ 361, 362, 363(c), 363(e), 364(c), 364(d)(1) AND 364(e) AND (B) UTILIZE CASH COLLATERAL OF PREPETITION SECURED PARTIES, (II) AUTHORIZING THE REPAYMENT IN FULL OF AMOUNTS OWED UNDER THE PREPETITION SENIOR SECURED REVOLVING CREDIT FACILITY AND THE PREPETITION A/R SECURITIZATION FACILITY, (III) GRANTING ADEQUATE PROTECTION TO THE PREPETITION SENIOR SECURED LENDERS, A/R SECURITIZATION PROVIDER, AND SECOND LIEN NOTEHOLDERS, (V) SCHEDULING A FINAL HEARING PURSUANT TO BANKRUPTCY RULES 4001(b) AND (c), AND (VI) GRANTING RELATED RELIEF

Upon the motion dated July 15, 2008 (the "Motion") of Vertis Holdings, Inc. ("Holdings") and its affiliated debtors, as debtors and debtors in possession (collectively, the "Debtors")¹ in the above-referenced chapter 11 cases (the "Vertis Debtors' Reorganization Cases"), for entry of an interim order (this "Interim Order") and a final order ("Final Order"), under sections 361, 362, 363(c), 363(e), 364(c), 364(d)(1) and 364(e) of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (as amended, the "Bankruptcy Code"), and Rules 2002, 4001 and 9014 of the Federal Rules of Bankruptcy Procedure (as amended, the "Bankruptcy Rules") and Rule 4001-2 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), seeking:

¹ The Debtors in these cases, along with the last four (4) digits of each Debtor's federal tax identification number, are Holdings (1556), Vertis, Inc. (8322), Webcraft, LLC (6725), Webcraft Chemicals, LLC (6726), Enteron Group, LLC (3909), Vertis Mailing, LLC (4084), and USA Direct, LLC (5311).



(i) authorization for Vertis, Inc. ("Vertis" or the "Borrower") to obtain senior secured postpetition financing in an aggregate principal amount not to exceed \$380,000,000 (the "DIP Credit Facility"), pursuant to section 364 of the Bankruptcy Code, and authorization for Holdings and each of Borrower's existing and subsequently acquired or formed direct and indirect subsidiaries which are Debtors and/or which are guarantors (together with Holdings, but excluding Vertis Digital Services, Ltd., the "Guarantors") under the Prepetition Credit Agreement (as defined below), to guarantee the Borrower's obligations under the DIP Credit Facility, from General Electric Capital Corporation ("GE Capital") as administrative agent and collateral agent (in such capacities, the "DIP Agent") for itself and certain other financial institutions (collectively with GE Capital, the "DIP Lenders"), pursuant to the terms of this Interim Order and that certain Senior Secured Priming and Superpriority Debtor-In-Possession Credit Agreement by and among the Borrower, the Guarantors, the DIP Agent and the DIP Lenders, in substantially the form attached hereto as Exhibit A (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "DIP Credit Agreement"), and any related documents required to be delivered by or in connection with the DIP Credit Agreement (collectively, the "DIP Credit Documents");

(ii) authorization for the Debtors to execute and enter into the DIP Credit Documents and to perform such other and further acts as may be required in connection with the DIP Credit Documents;

(iii) authorization for the Debtors to grant security interests, liens, and superpriority claims (including a superpriority administrative claim pursuant to section 364(c)(1) of the Bankruptcy Code, liens pursuant to sections 364(c)(2) and 364(c)(3) of the Bankruptcy Code and priming liens pursuant to section 364(d) of the Bankruptcy

Code) to the DIP Agent, for the benefit of itself and the DIP Lenders, to secure all obligations of the Debtors under and with respect to the DIP Credit Facility;

(iv) authorization for the Debtors' limited use of cash collateral, as such term is defined in section 363(a) of the Bankruptcy Code (as so defined, "Cash Collateral"), on the terms and conditions set forth in this Interim Order and in the DIP Credit Agreement;

(v) adequate protection of the liens and security interests (such liens and security interests, the "Prepetition Liens") of the lenders (such lenders in such capacities, the "Prepetition Lenders") under that certain Credit Agreement, dated as of December 22, 2004 (as amended, restated, supplemented or otherwise modified from time to time, the "Prepetition Credit Agreement"), among Borrower, certain other persons designated as "Credit Parties" thereunder, the Prepetition Lenders and GE Capital as Agent (in such capacity or in the capacity of Collateral Agent under the Prepetition Security Agreement (as defined hereinafter) on behalf of the Prepetition Lenders, the "Prepetition Agent") and as a Prepetition Lender, which Prepetition Liens are being primed by the DIP Credit Facility, as more fully set forth in this Interim Order;

(vi) adequate protection of the liens and security interests (such liens and security interests, the "Vertis Second Liens") of the holders (the "Vertis Second Lien Noteholders") of Vertis's 9 ¾% Senior Secured Second Lien Notes due April 1, 2009 (the "Vertis Second Lien Notes") issued pursuant to that certain Indenture, dated as of June 6, 2003 (as amended, restated, supplemented or otherwise modified from time to time, the "9 ¾% Indenture") among Vertis and the Indenture Trustee thereunder (the "9 ¾% Indenture Trustee");

(vii) authorization for the Borrower (a) to use a portion of the proceeds from the DIP Credit Facility to repurchase, upon entry of this Interim Order and as a condition

to closing the DIP Credit Facility, from Vertis Receivables II, LLC ("Vertis Receivables") all accounts receivable and related property previously conveyed to Vertis Receivables pursuant to that certain Receivables Sale and Servicing Agreement, dated as of November 25, 2005 (as amended, restated, supplemented or otherwise modified from time to time, the "A/R Sale and Servicing Agreement"), which repurchased property shall remain subject to the existing liens and security interests (such liens and security interests, the "A/R Obligations Prepetition Liens") in favor of the Securitization Provider under the A/R Securitization Facility (each as defined below) to secure the Surviving A/R Obligations (as defined below), (b) to cause Vertis Receivables to use the proceeds of such repurchase to pay, finally, fully and in cash, all of Vertis Receivables' obligations (including obligations with respect to principal, interest, fees, expenses and then outstanding indemnification obligations, but excluding the Surviving A/R Obligations (as defined below)) under Vertis Receivables' existing receivables securitization facility (the "A/R Securitization Facility") with GE Capital, as a lender, a swing line lender and as administrative agent (in such capacities, together with the other "Indemnified Persons" and "Affected Parties" under the A/R Securitization Facility, and each of their successors, assigns and pledgees, the "Securitization Provider"), (c) to assume all of Vertis Receivables' surviving obligations (including, without limitation, all contingent, unliquidated indemnification obligations under the A/R Securitization Facility remaining after the repurchase transaction described in this clause (vii)) (the "Surviving A/R Obligations"), (d) to use a portion of the proceeds of the DIP Credit Facility to pay Surviving A/R Obligations, and (e) to grant adequate protection of the A/R Obligations Prepetition Liens in the accounts receivable and related property to be repurchased by the Borrower upon the entry of this Interim Order (the "Securitization Collateral"), which

A/R Obligations Prepetition Liens are being primed by the DIP Credit Facility, as more fully set forth in this Interim Order;

(viii) authorization for the Borrower to use a portion of the proceeds from the DIP Credit Facility upon entry of this Interim Order (a) to pay in full in cash, as a condition to closing the DIP Credit Facility, the outstanding balance of Revolving Credit Advances (as defined in the Prepetition Credit Agreement and referred to in this Interim Order as the "Prepetition Revolving Credit Advances"), (b) to provide cash collateral for the letters of credit issued and outstanding on the Commencement Date under the Prepetition Credit Agreement (the "Prepetition Letters of Credit") in an amount equal to 102% of the face amount of such Prepetition Letters of Credit, (c) to pay and reimburse the Prepetition Agent (including, without limitation, in its capacity as "Collateral Agent" under the Prepetition Security Agreement, as defined hereinafter) for unpaid fees, costs and expenses incurred by the Prepetition Agent under the Prepetition Credit Agreement and/or the Prepetition Security Agreement, whether incurred prior or subsequent to the Commencement Date, at the time and in the manner due under the Prepetition Credit Agreement or the Prepetition Security Agreement, as applicable, and to pay the Prepetition Agent for such indemnification rights or claims that it has or may have under the Prepetition Credit Agreement and/or the Prepetition Security Agreement, whether incurred prior or subsequent to the Commencement Date, at the time and in the manner due under the Prepetition Credit Agreement or the Prepetition Security Agreement, as applicable (all such fees, costs, expenses and indemnification rights or claims of the Prepetition Agent, the "Prepetition Agreement Expenses") and (d) such other uses as are approved under this Interim Order;

(ix) modification of the automatic stay imposed under section 362 of the Bankruptcy Code to the extent necessary to permit the Debtors, the DIP Agent, the DIP Lenders, the Prepetition Agent and the Prepetition Lenders to implement the terms of this Interim Order;

(x) an emergency interim hearing (the "Interim Hearing") on the Motion for the Court to consider entry of this Interim Order, which authorizes the Borrower to borrow or obtain letters of credit under the DIP Credit Documents, on an interim basis, up to an aggregate principal or face amount not to exceed \$380,000,000; and

(xi) the scheduling of a final hearing (the "Final Hearing") on the Motion no later than August 19, 2008 to consider entry of a Final Order authorizing the balance of the borrowings and letter of credit issuances under the DIP Credit Documents on a final basis and approval of notice procedures with respect thereto;

The Interim Hearing having been held by this Court on July 16, 2008; and the Court having considered the Motion and all pleadings related thereto, including the record made by the Debtors at the Interim Hearing; and after due deliberation and consideration, and good and sufficient cause appearing therefor:

THE COURT HEREBY FINDS AND CONCLUDES AS FOLLOWS:

A. On July 15, 2008 (the "Commencement Date"), each Debtor filed with this Court a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors are continuing to operate their respective businesses and manage their respective properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

B. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157(b) and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

C. The Debtors have provided notice of the Motion and the Interim Hearing by facsimile, electronic mail or overnight mail to: (i) the United States Trustee for the District of Delaware; (ii) the Debtors' thirty (30) largest unsecured creditors (on a consolidated basis); (iii) Winston & Strawn LLP, 35 W. Wacker Drive, Chicago, Illinois 60601, Attn: Brian I. Swett, Esq., and Winston & Strawn LLP, 200 Park Avenue, New York, New York 10166, Attn: William D. Brewer, Esq., as counsel to the DIP Agent and the Prepetition Agent; (iv) Emmet, Marvin & Martin, LLP, 120 Broadway, 32nd Floor, New York, New York 10271, Attn: Edward P. Zujkowski, Esq., as counsel to The Bank of New York, as the 9 ¾% Indenture Trustee and the indenture trustee under the 10 7/8% Indenture, and the 13 ½% Indenture; (v) Akin Gump Strauss Hauer & Feld LLP, 590 Madison Avenue, New York, New York 10022, Attn: Ira Dizengoff, Esq. and David Simonds, Esq., and Pepper Hamilton LLP, Hercules Plaza, Suite 5100, 1313 Market Street, Wilmington, DE 19899-1709, Attn: David M. Fournier, Esq., as co-counsel to the Vertis Informal Committee; (vi) Stroock & Stroock & Lavan LLP, 180 Maiden Lane, New York, New York 10038, Attn: Kristopher M. Hansen, Esq. and Jayme T. Goldstein, Esq., as counsel to the Vertis Second Lien Noteholder Group; (vii) Dewey & LeBoeuf LLP, 1301 Avenue of the Americas, New York, New York 10019, Attn: Martin J. Bienenstock, Esq., as counsel to those certain holders of notes under the 13 ½% Indenture that are signatories to the Restructuring Agreement; (viii) Ropes & Gray LLP, One International Place, Boston, MA 02110, Attn: Steven T. Hoort, Esq., as counsel to certain Vertis shareholders; (ix) Wollmuth Maher & Deutsch LLP, 500 Fifth Avenue, New York, New York 10110, Attn: Paul R. DeFilippo, Esq., and Manton, Sweeney, Gallo, Reich & Bolz LLP, 92-25 Queens Blvd., Rego Park, New York 11374, Attn: Frank Bolz, Esq., as counsel to CLI;² (x) Simpson Thatcher & Bartlett LLP, 425 Lexington Avenue, New York, New York 10017, Attn: Mark J. Thompson, Esq., as counsel to the Evercore

² Capitalized terms used and not otherwise defined in this paragraph C shall have the meanings ascribed to them in

Parties; (xi) Kirkland & Ellis LLP, Citigroup Center, 153 East 53rd Street, New York, New York 10022-4611, Attn: Paul M. Basta, Esq., and Kirkland & Ellis LLP, Aon Center, 200 East Randolph Drive, Chicago, Illinois 60601, Attn: Ray C. Schrock, Esq. and Chad J. Husnick, Esq., as counsel to the ACG Debtors; (xii) Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, New York 10005, Attn: Dennis F. Dunne, Esq., Abhilash M. Raval, Esq., and Debra Alligood White, Esq., as counsel to the ACG Informal Committee; (xiii) Bingham McCutchen LLP, 399 Park Avenue, New York, New York 10022, Attn: Steven Wilamowsky, Esq., as counsel to the Prepetition Term Lenders; (xiv) all holders of liens against the Debtors; and (xv) M&T Bank (as defined herein), 107 West Market Street, York, PA 17401, Attn: Steven E. Stewart, Vice President ((i) through (xv), collectively, the "Notice Parties").

Given the nature of the relief sought in the Motion, the Court concludes that no further notice is necessary.

D. No official committee of unsecured creditors ("Committee"), as provided for under section 1102 of the Bankruptcy Code, has been appointed in the Vertis Debtors' Reorganization Cases.

E. Subject to Paragraph 36 below, the Debtors hereby admit, stipulate and agree that:

(1) Pursuant to the Prepetition Credit Agreement, the Prepetition Lenders agreed to extend revolving and term credit facilities to, and issue letters of credit for, Borrower from time to time, including, *inter alia*, (i) Revolving Credit Advances by the revolving lenders (the "Prepetition Revolving Lenders") in an aggregate principal committed amount of up to \$200,000,000, and (ii) a "last out" term loan (the "Prepetition Term Loan") by the term lenders (the "Prepetition Term Lenders") in an aggregate principal amount of \$50,000,000. The

Prepetition Credit Agreement, along with any other agreements, instruments, notes, guaranties and other documents executed in connection therewith are collectively referred to herein as the "Prepetition Credit Documents" and are available upon request from counsel to the Debtors or counsel to the Prepetition Agent. All obligations of the Debtors arising under the Prepetition Credit Agreement or any other Prepetition Credit Document, including all loans, advances, debts, liabilities, principal, interest, fees, charges, expenses and obligations for the performance of covenants, tasks or duties, or for the payment of monetary amounts owing to the Prepetition Agent or Prepetition Lenders by the Debtors, of any kind or nature, whether or not evidenced by any note, agreement or other instrument, and specifically including the Prepetition Agreement Expenses, shall hereinafter be referred to as the "Prepetition Obligations." All obligations of the Debtors arising under the Prepetition Credit Agreement or any other Prepetition Credit Document in respect of the Prepetition Term Loan by the Prepetition Term Lenders, including principal and interest on, and other amounts in respect of, such Prepetition Term Loan shall hereinafter be referred to as the "Prepetition Term Obligations." All Prepetition Obligations other than the Prepetition Term Obligations shall hereinafter be referred to as the "Prepetition Agent/Revolver Obligations."

(2) Pursuant to certain Collateral Documents (as defined in the Prepetition Credit Agreement and referred to in this Interim Order as the "Prepetition Collateral Documents"), including that certain Security Agreement, dated as of December 7, 1999 and amended and restated as of June 6, 2003, entered into by and among the Prepetition Agent, as successor Collateral Agent (as defined therein) for the benefit of the Prepetition Lenders and the 9 ¾% Indenture Trustee (among others), Vertis, Holdings, and each other party signatory thereto (as amended, restated, supplemented or otherwise modified from time to time, the "Prepetition Security Agreement"), each Debtor granted to the Prepetition Agent, for the benefit of itself and

the Prepetition Lenders, to secure such Debtor's obligations under the Prepetition Credit Documents, a first-priority security interest in and continuing lien on substantially all of such Debtor's assets, including, but not limited to, all of such Debtor's accounts, chattel paper, documents, general intangibles, goods (including, without limitation, inventory and equipment), instruments, intellectual property, investment property, letter of credit rights, money, receivables and receivable records, commercial tort claims, and a pledge of one hundred percent (100%) of the capital stock of each of its domestic subsidiaries and sixty five percent (65%) of the capital stock of each of its foreign subsidiaries, and all proceeds, products, accessions, rents and profits of or in respect of any of the foregoing, in each case whether then owned or existing or thereafter acquired or arising. All collateral granted or pledged by the Debtors pursuant to the Prepetition Credit Documents shall collectively be referred to herein as the "Prepetition Collateral."

(3) Pursuant to that certain 9 ¾% Indenture, Vertis issued the Vertis Second Lien Notes in an aggregate principal amount of \$350,000,000 to the Vertis Second Lien Notcholders. The 9 ¾% Indenture and the Vertis Second Lien Notes, along with any other documents and instruments executed and delivered in connection with the 9 ¾% Indenture or the Vertis Second Lien Notes, in each case as the same may be amended, modified and/or supplemented from time to time in accordance with the terms thereof, are collectively referred to herein as the "Vertis Second Lien Debt Documents" and are available upon request from counsel to the Debtors or counsel to the 9 ¾% Indenture Trustee.

(4) Pursuant to certain Security Documents (as defined in the 9 ¾% Indenture and referred to in this Interim Order as the "Vertis Second Lien Collateral Documents"), including the Security Agreement, each Debtor granted to the Collateral Agent, for the benefit of the 9 ¾% Indenture Trustee, to secure such Debtor's obligations under the Vertis Second Lien Debt Documents, a second-priority security interest in and lien on all of such Debtor's right, title

and interest in the Prepetition Collateral other than the Excluded 2003 Senior Secured Notes Collateral, as such term is defined in the Prepetition Security Agreement (the “Vertis Second Lien Notes Collateral”).

(5) All Prepetition Credit Documents executed and delivered by the Debtors to the Prepetition Agent are valid and enforceable by the Prepetition Agent and the Prepetition Lenders against each of the Debtors. The Prepetition Agent duly perfected its liens upon and security interests in the Prepetition Collateral by, among other things, filing financing statements, mortgages and fixture filings and, where necessary, by possession of relevant instruments, certificates, or other property. All of such financing statements, mortgages and fixture filings were validly executed by authorized representatives of the Debtors. Pursuant to the Prepetition Credit Documents, the Prepetition Lenders have perfected first-priority security interests in and liens on all of the Prepetition Collateral, including the Cash Collateral.

(6) The liens and security interests of the Prepetition Lenders in the Prepetition Collateral, as security for the Prepetition Obligations, constitute valid, binding, enforceable and perfected first-priority liens and security interests and are not subject to avoidance, disallowance or subordination pursuant to the Bankruptcy Code or applicable non-bankruptcy law (except insofar as such liens are subordinated to the DIP Liens, the Pari Passu Liens and the Carve-Out (each term as hereinafter defined) in accordance with the provisions of this Interim Order). The Debtors further admit, acknowledge and agree that (i) the Prepetition Obligations constitute legal, valid and binding obligations of each of the Debtors, (ii) no offsets, defenses or counterclaims to the Prepetition Obligations exist and (iii) no portion of the Prepetition Obligations is subject to avoidance, disallowance, reduction or subordination pursuant to the Bankruptcy Code or applicable non-bankruptcy law. The Debtors irrevocably

waive any right to challenge or contest such liens of the Prepetition Lenders in the Prepetition Collateral or the validity of the Prepetition Obligations.

(7) The Debtors have no valid claims (as such term is defined in section 101(5) of the Bankruptcy Code) or causes of action against the Prepetition Agent or any Prepetition Lender with respect to the Prepetition Credit Agreement or any other Prepetition Credit Documents, whether arising at law or at equity, including, without limitation, any re-characterization, subordination, avoidance or other claims arising under or pursuant to sections 105, 510 or 542 through 553, inclusive, of the Bankruptcy Code.

(8) As of the Commencement Date, the Prepetition Obligations for which the Debtors were truly and justly indebted to the Prepetition Lenders, without defense, counterclaim or offset of any kind, aggregated not less than approximately \$222 million, comprised of not less than approximately \$172 million in Prepetition Agent/Revolver Obligations and approximately \$50 million in aggregate principal amount of Prepetition Term Obligations, plus all accrued or hereafter accruing and unpaid interest thereon and any additional fees and expenses (including any attorneys', accountants', appraisers' and financial advisors' fees and expenses that are chargeable or reimbursable under the Prepetition Credit Documents) now or hereafter due under the Prepetition Credit Documents and specifically including the Prepetition Agreement Expenses (collectively, the "Prepetition Lender Secured Debt").

(9) The aggregate value of the Prepetition Collateral granted or pledged to the Prepetition Agent, for the benefit of itself and the Prepetition Lenders, pursuant to the Prepetition Credit Documents, exceeds the aggregate amount of the Prepetition Lender Secured Debt.

F. The Debtors have an immediate and critical need to obtain postpetition financing under the DIP Credit Facility and to use Cash Collateral in order to, among other things, finance the ordinary costs of their operations, maintain business relationships with

vendors, suppliers and customers, make payroll, make capital expenditures, and satisfy other working capital and operational needs. The Debtors' access to sufficient working capital and liquidity through the incurrence of postpetition financing under the DIP Credit Facility and the use of Cash Collateral under the terms of this Interim Order is vital to the preservation and maintenance of the going concern value of the Debtors' estates and to the Debtors' successful reorganization. Consequently, without access to the DIP Credit Facility and the continued use of Cash Collateral, to the extent authorized pursuant to this Interim Order, the Debtors and their estates would suffer immediate and irreparable harm.

G. The Debtors are unable to obtain (i) adequate unsecured credit allowable either (a) under sections 364(b) and 503(b)(1) of the Bankruptcy Code or (b) under section 364(c)(1) of the Bankruptcy Code, (ii) adequate credit secured by (x) a senior lien on unencumbered assets of their estates under section 364(c)(2) of the Bankruptcy Code and (y) a junior lien on encumbered assets under section 364(c)(3) of the Bankruptcy Code, or (iii) secured credit under section 364(d)(1) of the Bankruptcy Code from sources other than the DIP Agent and the DIP Lenders on terms more favorable than the terms of the DIP Credit Facility. The only source of secured credit available to the Debtors, other than the use of Cash Collateral, is the DIP Credit Facility. The Debtors require both additional financing under the DIP Credit Facility and the continued use of Cash Collateral under the terms of this Interim Order in order to satisfy their postpetition liquidity needs.

H. The DIP Agent and the DIP Lenders have indicated a willingness to provide the Debtors with certain financing commitments, but solely on the terms and conditions set forth in this Interim Order and in the DIP Credit Documents. After considering all of their alternatives, the Debtors have concluded, in an exercise of their sound business judgment, that

the financing to be provided by the DIP Lenders pursuant to the terms of this Interim Order and the DIP Credit Documents represents the best financing presently available to the Debtors.

I. Solely on the terms and conditions set forth in this Interim Order and in the DIP Credit Documents, the Prepetition Agent and the Prepetition Revolving Lenders are prepared to consent to: (i) the imposition of certain liens under section 364(d)(1) of the Bankruptcy Code in favor of the DIP Agent, for the benefit of itself and the DIP Lenders, which liens will prime the Primed Liens (as hereinafter defined), and (ii) the Debtors' use of the Prepetition Collateral (including the Cash Collateral), provided that the Court authorizes the Debtors, pursuant to Sections 361, 363 and 364(d) of the Bankruptcy Code, to grant to the Prepetition Agent, for the benefit of itself and the Prepetition Lenders, as and for adequate protection, but subject to the Carve-Out, (1) a replacement security interest in and lien and mortgage upon the DIP Collateral in favor of the Prepetition Agent and the Prepetition Revolving Lenders, which shall be of equal priority with the DIP Liens (the "Prepetition Agent/Revolver Replacement Lien"), (2) a security interest in and lien and mortgage upon the DIP Collateral in favor of the Prepetition Term Lenders, which shall be immediately junior to the DIP Liens and the Prepetition Agent/Revolver Replacement Lien (the "Prepetition Term Replacement Lien" and, together with the Prepetition Agent/Revolver Replacement Lien, the "Prepetition Lender Replacement Liens"), and (3) superpriority administrative expense claims under section 507(b) of the Bankruptcy Code (collectively, the "Adequate Protection Priority Claims"), which priority claims shall, in the case of the Prepetition Term Lenders (the "Term Adequate Protection Priority Claims"), be subordinate in priority to the priority claims of the Prepetition Agent and the Prepetition Revolving Lenders (the "Agent/Revolver Adequate Protection Priority Claims"). The Prepetition Lender Replacement Liens and the Adequate Protection Priority Claims shall secure the payment of the Prepetition Obligations in an amount

equal to the diminution in the value of the Prepetition Lenders' interests in the Prepetition Collateral from and after the Commencement Date including, without limitation, any such diminution resulting from: (i) the use by the Borrower of such collateral and cash constituting proceeds of such collateral, (ii) the imposition of those liens granted to the DIP Lenders which will prime the Primed Liens, (iii) the Carve Out and (iv) the imposition of the automatic stay pursuant to section 362(a) of the Bankruptcy Code (the "Adequate Protection Obligations"), and/or (v) any other reason; provided, however, that any right of payment of the Prepetition Term Lender on account of the Adequate Protection Obligations shall be fully subordinate to any right of payment of the Prepetition Agent or the Prepetition Revolving Lenders on account of the Adequate Protection Obligations. As additional adequate protection, the Prepetition Agent shall be entitled to the ongoing payment of the Prepetition Agreement Expenses, including the fees and expenses of legal counsel and other professionals retained by the Prepetition Agent, as and when due and payable under the Prepetition Credit Documents (without giving effect to any acceleration provision therein).

J. The consent of the Prepetition Agent and the Prepetition Revolving Lenders to the priming of their liens by the DIP Liens (as hereinafter defined) is limited to the DIP Credit Facility presently before the Court, with GE Capital as DIP Agent, and shall not extend to any other postpetition financing or to any modified version of this DIP Credit Facility with any party other than GE Capital as DIP Agent. Furthermore, the consent of the Prepetition Agent and the Prepetition Revolving Lenders to the priming of their liens by the DIP Liens does not constitute, and shall not be construed as constituting, an acknowledgment or stipulation by the Prepetition Agent and the Prepetition Lenders that their interests in the Prepetition Collateral are adequately protected pursuant to this Interim Order or otherwise.

K. The security interests and liens granted pursuant to this Interim Order to the DIP Agent, for the benefit of itself and the DIP Lenders, are appropriate under section 364(d) of the Bankruptcy Code because, among other things: (i) such security interests and liens do not impair the interests of any holder of a valid, perfected, prepetition security interest or lien in the property of the Debtors' estates, (ii) the holders of such valid, perfected, prepetition security interests and liens have consented to the security interests and priming liens granted pursuant to this Interim Order to the DIP Agent for the benefit of itself and the DIP Lenders, and/or (iii) the interests of any holder of a valid, perfected, prepetition security interest or lien are otherwise adequately protected.

L. Good cause has been shown for immediate entry of this Interim Order pursuant to Bankruptcy Rules 4001(b)(2) and (c)(2). In particular, the authorization granted herein for the Debtors to execute the DIP Credit Documents, to continue using Cash Collateral, and to obtain interim financing, including on a priming lien basis, is necessary to avoid immediate and irreparable harm to the Debtors and their estates. Entry of this Interim Order is in the best interest of the Debtors, their estates and creditors. The terms of the DIP Credit Documents (including the Debtors' continued use of Cash Collateral) are fair and reasonable under the circumstances, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties, and are supported by reasonably equivalent value and fair consideration.

M. The Debtors, the DIP Agent, and the Prepetition Agent have negotiated the terms and conditions of the DIP Credit Documents (including the Debtors' continued use of Cash Collateral) and this Interim Order in good faith and at arm's-length, and any credit extended and loans made to the Debtors pursuant to this Interim Order shall be, and hereby are,

deemed to have been extended, issued or made, as the case may be, in "good faith" within the meaning of section 364(e) of the Bankruptcy Code.

N. On or about October 23, 2007, Debtor USA Direct, LLC ("USA Direct"), the Prepetition Agent and Manufacturers and Traders Trust Company ("M&T Bank") entered into that certain Control Agreement (Deposit Accounts) (the "M&T Control Agreement") pursuant to which the parties thereto agreed, *inter alia*, that, subject to the terms and conditions thereof, M&T Bank would act in accordance with the Prepetition Agent's instructions with respect to the bank accounts maintained at M&T Bank by USA Direct (the "Subject M&T Accounts") identified therein.

O. Based on the foregoing, and upon the record made before this Court at the Interim Hearing, and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. Approval of Motion. The Motion is approved on the terms and conditions set forth in this Interim Order. This Interim Order shall become effective immediately upon its entry. To the extent the terms of the DIP Credit Documents differ in any respect from the terms of this Interim Order, this Interim Order shall control.

2. Approval of DIP Credit Agreement, Authority Thereunder. The terms and conditions of the DIP Credit Agreement are hereby approved. The Debtors are hereby authorized to enter into the DIP Credit Documents, including the DIP Credit Agreement, and such additional documents, instruments, and agreements as may be reasonably required by the DIP Agent to implement the terms or effectuate the purposes of this Interim Order. The Borrower is hereby authorized to borrow money and obtain letters of credit under the DIP Credit Agreement, and the Guarantors are hereby authorized to guaranty such borrowings and the

Borrower's obligations with respect to such letters of credit, in accordance with the terms of this Interim Order, the DIP Credit Agreement, and the other DIP Credit Documents.

3. Use of Cash Collateral and DIP Loans. The Debtors are hereby authorized to use the Cash Collateral and proceeds of DIP Loans (as hereinafter defined) solely in accordance with the Budget (as hereinafter defined) and the financial covenants, availability formulae, and other terms and conditions set forth in the DIP Credit Agreement and this Interim Order.

4. Payment of DIP Fees and Expenses. The Debtors are hereby authorized and directed to pay on demand all fees, expenses and other amounts payable under the terms of the DIP Credit Agreement, including, without limitation, all of the fees specified in the GE Capital Fee Letter (as defined in the DIP Credit Agreement), and all out-of-pocket costs and expenses of the DIP Agent in accordance with the terms of the DIP Credit Agreement (including, without limitation, the prepetition and postpetition fees and disbursements of legal counsel, financial advisors and third-party appraisers and consultants advising the DIP Agent). None of such costs, fees, and expenses shall be subject to Court approval or U.S. Trustee guidelines, and no recipient of any such payment shall be required to file with respect thereto any interim or final fee application with the Court; provided, however, that the DIP Agent shall submit copies of its professional fee invoices to the Debtors, and the Debtors shall send copies of such invoices to the U.S. Trustee and any Committee within five (5) business days of their receipt thereof; provided further, however, that such invoices may be redacted to the extent necessary to delete any information subject to the attorney-client privilege, any information constituting attorney work product, or any other confidential information, and the provision of such invoices shall not constitute any waiver of the attorney-client privilege or any benefits of the attorney work product doctrine. In addition, the Debtors are hereby authorized and directed to indemnify the DIP

Agent and the DIP Lenders against any liability arising in connection with the DIP Credit Documents to the extent set forth in the DIP Credit Documents. All such unpaid fees, expenses and indemnities of the DIP Agent shall constitute DIP Obligations (as hereinafter defined) and shall be secured by the DIP Collateral and afforded all of the priorities and protections afforded to the DIP Obligations under this Interim Order and the DIP Credit Documents.

5. Validity of DIP Credit Documents. Upon execution and delivery of the DIP Credit Documents, the DIP Credit Documents shall constitute valid and binding obligations of the Debtors, enforceable against each Debtor party thereto in accordance with the terms thereof. No obligation, payment, transfer or grant of security under the DIP Credit Documents or this Interim Order shall be stayed, restrained, voided, voidable, or recoverable under the Bankruptcy Code or under any applicable non-bankruptcy law, or subject to any defense, reduction, setoff, recoupment or counterclaim.

6. DIP Loans. All loans and letters of credit made to or for the benefit of the Debtors on or after the Commencement Date under the DIP Credit Documents (collectively, the "DIP Loans"), all interest thereon, and all fees, costs, expenses, indemnification obligations and other liabilities owing by the Debtors to the DIP Agent and the DIP Lenders under the DIP Credit Documents and this Interim Order shall hereinafter be referred to as the "DIP Obligations." The DIP Loans: (i) shall be evidenced by the books and records of the DIP Agent or the DIP Lenders; (ii) shall bear interest payable at the rates set forth in the DIP Credit Agreement; (iii) shall be secured in the manner specified in Paragraph 15 below; (iv) shall be payable in accordance with the terms of the DIP Credit Documents; and (v) shall otherwise be governed by the terms set forth herein and in the DIP Credit Documents.

7. Structure of DIP Credit Facility. The DIP Credit Facility shall consist of (i) a term loan of \$50 million (the "DIP Term Loan A"); (ii) a term loan of \$200 million (the

“DIP Term Loan B” and, together with the DIP Term Loan A, the “DIP Term Loan”); and (iii) a revolving credit facility of \$130 million (the “DIP Revolving Credit Facility” and, collectively with the DIP Term Loan, the “DIP Credit Facility”); provided, however, that the amount of the DIP Revolving Credit Facility set forth in clause (iii) shall be reduced by a reserve in the amount of the Carve-Out (as hereinafter defined) and such other reserves as Agent may establish pursuant to the terms of the DIP Credit Agreement. The aggregate amount of the DIP Loans available under the DIP Revolving Credit Facility shall not exceed \$130 million (the “Maximum Amount”), provided, however, that from and after the entry of this Interim Order and prior to the entry of the Final Order, borrowings under the DIP Credit Facility shall be limited to \$380,000,000, comprised of \$50,000,000 under the DIP Term Loan A, \$200,000,000 under the DIP Term Loan B and up to \$130,000,000 in advances under the DIP Revolving Credit Facility; provided further, however, that the aggregate amount of the DIP Loans available under the DIP Revolving Credit Facility from time to time prior to the Termination Date shall be subject to Borrowing Base limitations, availability criteria and other terms (including in respect of a letter of credit sub-facility and swing line loans), all as set forth in the DIP Credit Agreement.

8. *A/R Purchase From Securitization Facility; Repayment of Securitization Provider; Payment of Surviving A/R Obligations.* Subject to the terms and conditions contained in this Interim Order and the DIP Credit Agreement, Borrower shall use the proceeds of the DIP Term Loan A that Borrower is authorized to draw down under this Interim Order and a portion of the proceeds of the DIP Revolving Credit Facility to repurchase, upon the entry of this Interim Order and as a condition to the closing of the DIP Credit Facility, from Vertis Receivables all accounts receivable and related property previously conveyed to Vertis Receivables pursuant to the A/R Sale and Servicing Agreement. Vertis Receivables shall use the proceeds of such repurchase to pay, finally, fully and in cash, all obligations (other than the Surviving A/R

Obligations (as defined below)) of Vertis Receivables under the A/R Securitization Facility such that the accounts receivable and other assets owned as of the Commencement Date by Vertis Receivables (including, without limitation, all of its bank accounts, lockboxes and its rights and obligations under various lockbox and blocked account agreements, the "Purchased Facility Assets") shall be, on account of such final and full payment in cash, free and clear of any and all liens, claims, encumbrances and/or other interests (other than Surviving A/R Obligations (as defined below) and except as expressly set forth herein). The Purchased Facility Assets shall become the property of Borrower's estate (such transaction, the "A/R Purchase"); provided, however, that the Surviving A/R Obligations shall survive and Borrower shall assume the Surviving A/R Obligations pursuant to an agreement in form and substance acceptable to the Securitization Provider. Borrower shall use the necessary proceeds of the DIP Revolving Credit Facility to pay the Surviving A/R Obligations (whether incurred prior or subsequent to the Commencement Date and at the time and in the manner due under the A/R Securitization Facility).

9. Repayment of Prepetition Revolving Credit Advances; Continuing Payment of Prepetition Agreement Expenses. Subject to the terms and conditions contained in this Interim Order and the DIP Credit Agreement and as and for, inter alia, adequate protection, Borrower shall use the proceeds of the DIP Term Loan B, upon the entry of this Interim Order and as a condition to the closing of the DIP Credit Facility, to provide cash collateral for the Prepetition Letters of Credit in an amount equal to 102% of the face amount of such Prepetition Letters of Credit and to pay in full all other outstanding Prepetition Agent/Revolver Obligations. To the extent that there are available any proceeds of the DIP Term Loan B following satisfaction of the obligations described in the preceding sentence, Borrower shall repay a portion of the DIP Revolving Credit Facility in an amount equal to such remaining proceeds

(without any corresponding reduction in the commitments thereunder). Borrower also shall use the necessary proceeds of the DIP Revolving Credit Facility to pay and reimburse the Prepetition Agent (including, without limitation, in its capacity as “Collateral Agent” under the Prepetition Security Agreement) for the Prepetition Agreement Expenses (together with the Surviving A/R Obligations, the “Lender Expense Claims”) as and when due under the terms of the Prepetition Credit Documents. Borrower also may use the necessary proceeds of the DIP Revolving Credit Facility to pay and reimburse the Prepetition Term Lender Expense Claims (as defined herein) as, to the extent and when due under the terms of the Prepetition Credit Documents.

10. Other Use of DIP Loans and Cash Collateral. Subject to the terms and conditions set forth in this Interim Order and in the DIP Credit Documents, the Debtors may use the DIP Loans and the Cash Collateral, in accordance with the Budget (as defined below), to: (i) pay interest, fees and expenses associated with the DIP Credit Facility, as provided in the DIP Credit Documents; (ii) prior to an event of default under the DIP Credit Facility, pay (X) professional fees and expenses in accordance with Section 5.05 of that certain Restructuring and Lock-Up Agreement dated as of May 22, 2008 among, *inter alia*, Borrower, various of Borrower’s affiliates, ACG Holdings, Inc. and its subsidiaries (the “Acquired Business”), certain creditors of the Acquired Business, certain Vertis Second Lien Noteholders, certain holders of the Vertis Senior Notes (as defined in the Motion), and certain holders of the Vertis Senior Subordinated Notes (as defined in the Motion) (the “Restructuring Agreement”), and (Y) ordinary course indenture trustee fees and expenses pursuant to the existing terms of the indentures governing the Vertis Second Lien Notes, the Vertis Senior Notes (as defined in the Motion) and/or the Vertis Senior Subordinated Notes (as defined in the Motion); and (v) prior to and up to an event of default under the DIP Credit Facility with respect to which a Carve-Out Trigger Notice (as defined below) is delivered to the Debtors, pay fees and expenses of

professionals retained by Borrower or the official committee of unsecured creditors (if any), to the extent set forth in the Budget and subject to such carve-outs as may be agreed to by DIP Agent and DIP Lenders, to the extent such professional fees and expenses are approved in accordance with compensation procedures approved by the Bankruptcy Court and in form and substance acceptable to the DIP Agent; provided, however, that Borrower and Guarantors shall be prohibited from making any payment under the Restructuring Agreement (whether on account of adequate protection, reimbursement of professional or indenture trustee fees and expenses or otherwise) until the Prepetition Revolving Credit Advances have been repaid in full in cash and the Prepetition Letter of Credit Obligations have been repaid or cash collateralized in full in cash; (iii) make the adequate protection payments set forth in the Restructuring Agreement and the Budget (as defined below) and adequate protection cash interest payments at the non-default contractual rate in respect of the Prepetition Term Loan under the Prepetition Credit Agreement (the "Prepetition Term Adequate Protection Cash Payments") and, subject to approval of the Court, such other adequate protection payments of other prepetition debt as are acceptable to DIP Agent and set forth in the Budget (as defined below); and (iv) fund general, ordinary course corporate and working capital requirements of the Debtors, in each case in accordance with the Budget (as defined below) and the terms of the DIP Credit Documents.

11. Conformity with Budget. Subject to and in accordance with the terms of the DIP Credit Agreement, the Borrower shall from time to time prepare and provide to the DIP Agent detailed budgets, substantially in the form of the initial budget attached hereto as Exhibit B (each, a "Budget" and, collectively, the "Budgets"). Borrower may use the proceeds of the DIP Loans and the Cash Collateral solely for the purposes and up to the amounts set forth in the Budget, subject to the terms and conditions set forth in the DIP Credit Agreement and this Interim Order. Payment by the Debtors of expenses other than the itemized amounts set forth in

the Budget shall constitute an Event of Default (as hereinafter defined) unless the DIP Agent consents to such non-conforming payments in writing.

12. Application of Proceeds. All proceeds of DIP Collateral included in the DIP Borrowing Base collected after the Commencement Date shall be applied to the DIP Obligations (and, after an Event of Default (as defined hereinafter) and acceleration, to the DIP Obligations and the Lender Expense Claims), in the manner set forth in the DIP Credit Agreement.

13. Mandatory and Voluntary Prepayments. Borrower shall make mandatory prepayments and may make voluntary prepayments of the DIP Loans as and when provided under, and for application in accordance with, the terms of the DIP Credit Agreement.

14. Continuation of Prepetition Liens; Prepetition Liens Securing DIP Obligations and Surviving A/R Obligations. Until payment in full of all of the obligations of the Borrower and the Guarantors with respect to the DIP Credit Facility and the Prepetition Credit Agreement, and termination of the DIP Lenders' commitments under the DIP Credit Facility, and until such time as the Prepetition Obligations shall have been allowed in full without the possibility of any further challenge, all liens and security interests of the Prepetition Agent and Prepetition Lenders (including, without limitation, liens granted for adequate protection purposes) shall remain valid and enforceable with the same continuing priority as described herein. Notwithstanding any payment of all or any portion of the Prepetition Obligations, the Prepetition Liens shall continue in full force and effect and shall, and shall be deemed to, secure the full and timely payment of the DIP Obligations (separate from and in addition to the DIP Liens granted to the DIP Agent and the DIP Lenders in Paragraph 15 below) until the payment in full of all of the DIP Obligations and the termination of the DIP Lenders' commitments under the DIP Credit Facility. Until payment in full of all of the obligations of the Borrower and the

Guarantors with respect to the DIP Credit Facility and the A/R Sale and Servicing Agreement, and termination of the DIP Lenders' commitments under the DIP Credit Facility, and until such time as the Surviving A/R Obligations shall have been allowed in full without the possibility of any further challenge, all liens and security interests of the Securitization Provider (including, without limitation, liens granted for adequate protection purposes) shall remain valid and enforceable with the same continuing priority as described herein. Notwithstanding any payment of all or any portion of the Surviving A/R Obligations, the A/R Obligations Prepetition Liens shall continue in full force and effect and shall, and shall be deemed to, secure the full and timely payment of the Surviving A/R Obligations until the payment in full of all of the Surviving A/R Obligations and the termination of the DIP Lenders' commitments under the DIP Credit Facility.

15. DIP Liens and DIP Collateral. As security for the full and timely payment of the DIP Obligations, the DIP Agent, for the benefit of the DIP Agent and the DIP Lenders, is hereby granted, pursuant to sections 364(c)(2), 364(c)(3) and 364(d)(1) of the Bankruptcy Code, valid, enforceable, unavoidable, and fully perfected security interests in and liens and mortgages (collectively, the "DIP Liens") upon all existing and after-acquired tangible and intangible personal and real property and assets (including, without limitation, accounts receivable, inventory, equipment, fee and leasehold interests in real property, general intangibles, intercompany notes, cash, deposit accounts, rights, claims and causes of action (including causes of action under section 549 of the Bankruptcy Code and, upon entry of the Final Order, any other avoidance actions under chapter 5 of the Bankruptcy Code (other than the causes of action under section 549 of the Bankruptcy Code, the "Avoidance Actions")), the Purchased Facility Assets and all products and proceeds of the foregoing) of Borrower and each Guarantor, including, without limitation, 100% of the outstanding equity interests in their subsidiaries that are not Excluded Foreign Subsidiaries (as defined in the DIP Credit Agreement) and 66% of the

outstanding equity interests in their first tier Excluded Foreign Subsidiaries and all products and proceeds thereof (collectively, the "DIP Collateral").

16. Priority of DIP Liens. Subject to the Carve-Out, the DIP Liens: (a) shall constitute first-priority security interests in and liens upon all DIP Collateral that is not otherwise subject to any valid, perfected, enforceable and non-avoidable lien in existence as of the Commencement Date, pursuant to section 364(c)(2) of the Bankruptcy Code; (b) shall be senior to and prime (i) the Prepetition Liens, the Vertis Second Liens and the A/R Obligations Prepetition Liens, (ii) the Prepetition Term Replacement Lien and the Vertis Second Lien Noteholders' Replacement Lien (as hereinafter defined) and (iii) any and all other claims, rights or liens against the Debtors in existence as of the Commencement Date (including, without limitation, any reclamation claims, rights or liens), which are junior in right or priority, or otherwise subject, to the Prepetition Liens ((i), (ii) and (iii) above, collectively, the "Primed Liens") pursuant to section 364(d)(1) of the Bankruptcy Code; (c) shall be *pari passu* in priority to the Prepetition Agent/Revolver Replacement Lien and the Securitization Provider's Replacement Lien (collectively, the "Pari Passu Liens") pursuant to section 364(d)(1) of the Bankruptcy Code, and (d) pursuant to section 364(c)(3) of the Bankruptcy Code, shall be immediately junior in priority to any and all other valid, perfected, enforceable and non-avoidable liens in existence as of the Commencement Date that are senior in priority to the Prepetition Liens (collectively, the "Senior Non-Primed Liens"); provided, however, that the DIP Liens

shall be junior to the ^{Senior} Non-Primed Liens only with respect to the collateral encumbered by any such ^{Senior} Non-Primed Liens; ^{Senior} and (e) pursuant to Section 364 (a) (3) of the Bankruptcy Code, shall be immediately junior in priority to any and all other valid, perfected, enforceable and non-avoidable liens in existence as of the Commencement Date that are junior in priority to the Prepetition Liens collectively, the "Junior Non-Primed Liens"); provided, however, that the holder of any Junior Non-Primed Lien is provided adequate protection that is approved by the court and that is acceptable to the DIP Agent and the DIP Lenders, the DIP Liens shall be senior to such Junior Non-Primed Liens pursuant to section 364(a) (1) of the Bankruptcy Code; provided, ~~however~~, further, that to the extent that the DIP Liens are junior to the Junior Non-Primed Liens, they shall be junior only with respect to the collateral encumbered by any such Junior Non-Primed Liens. As used herein, the term "Non-Primed Liens" shall mean all Senior Non-Primed Liens and all Junior Non-Primed Liens to which the holders thereof have not received adequate protection in accordance with the first proviso to clause (e) of the preceding sentence.

17. Automatic Effectiveness of Liens. The DIP Liens, the Pari Passu Liens, the Prepetition Term Replacement Lien and the Vertis Second Lien Noteholder Replacement Lien (as defined herein) shall not be subject to challenge and shall attach and become valid, perfected, ^{or equal in priority to} and shall be senior to such Junior Non-Primed Liens pursuant to section 364(a) (1) of the Bankruptcy Code; provided, ~~however~~, further, that to the extent that the DIP Liens are junior to the Junior Non-Primed Liens, they shall be junior only with respect to the collateral encumbered by any such Junior Non-Primed Liens. As used herein, the term "Non-Primed Liens" shall mean all Senior Non-Primed Liens and all Junior Non-Primed Liens to which the holders thereof have not received adequate protection in accordance with the first proviso to clause (e) of the preceding sentence.

Rider to be placed at the end of paragraph 16:

With respect to the paid ~~net~~ loss deposit or other funds held by ACE America Insurance Company and its affiliates (collectively, "ACE") to secure the Debtors' deductibles and other obligations arising under the Insurance policies and related agreements (but only to the extent that ACE has a properly perfected lien against and security interest in such funds), any lien granted under this Interim Order shall not extend to such funds but only to Debtors' reversionary rights, if any, in such funds.

enforceable, non-avoidable and effective by operation of law as of the Commencement Date without any further action by the Debtors, the DIP Agent, the DIP Lenders, the Prepetition Agent, the Prepetition Lenders or the 9 ¼% Indenture Trustee, and without the necessity of execution by the Debtors, or the filing or recordation, of any financing statements, security agreements, vehicle lien applications, mortgages, filings with the U.S. Patent and Trademark Office, or other documents or the taking of any other actions. All DIP Collateral shall be free and clear of other liens, claims and encumbrances, except the Primed Liens, the Pari Passu Liens, the Non-Primed Liens, and other permitted liens and encumbrances as provided in the DIP Credit Agreement. If the DIP Agent hereafter requests that the Debtors execute and deliver to the DIP Agent financing statements, security agreements, collateral assignments, mortgages, or other instruments and documents considered by the DIP Agent to be reasonably necessary or desirable to further evidence the perfection of the DIP Liens, the Debtors are hereby authorized and directed to execute and deliver such financing statements, security agreements, mortgages, collateral assignments, instruments, and documents, and the DIP Agent is hereby authorized to file or record such documents in its discretion, in which event all such documents shall be deemed to have been filed or recorded at the time and on the date of entry of this Interim Order.

18. DIP Lenders' Superpriority Claims. In addition to the priming liens and security interests granted to the DIP Agent pursuant to this Interim Order, subject to the Carve-Out (as defined in Paragraph 19 hereof) and in accordance with sections 364(c)(1), 503 and 507 of the Bankruptcy Code, all of the DIP Obligations (including, without limitation, all DIP Loans) shall constitute allowed superpriority administrative expense claims (the "DIP Superpriority Claims") with priority over any and all administrative expenses of the Debtors, whether heretofore or hereafter incurred, of the kind specified in, or ordered pursuant to, sections 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b) or 726 or any other provisions of the

Bankruptcy Code, which Superpriority Claims shall be payable from and have recourse to all prepetition and postpetition property of the Debtors, including Avoidance Actions, and all proceeds thereof. In the event Superpriority Claims arise with respect to more than one of the DIP Revolving Credit Facility, the DIP Term Loan A and the DIP Term Loan B, then (i) any DIP Superpriority Claims for amounts outstanding under the DIP Revolving Credit Facility shall enjoy priority over any DIP Superpriority Claims for amounts outstanding under the DIP Term Loan A or DIP Term Loan B, and (ii) any DIP Superpriority Claims for amounts outstanding under the DIP Term Loan A shall have equal priority with any DIP Superpriority Claims for amounts outstanding under the DIP Term Loan B.

19. Carve Out. Upon and following an Event of Default with respect to which a Carve-Out Trigger Notice (as defined herein) is issued, to the extent unencumbered funds are not available to pay administrative expenses in full, the DIP Liens, the DIP Superpriority Claims, the Securitization Adequate Protection Priority Claims, the Adequate Protection Priority Claims, the Vertis Second Lien Noteholder Adequate Protection Priority Claims (as defined herein), the Pari Passu Liens and the Primed Liens shall be subject to the payment of the Carve-Out. For purposes of this Order, the "Carve-Out" shall mean, collectively: (i) the payment of fees pursuant to 28 U.S.C. 1930(a)(6) and 28 U.S.C. §156(c); (ii) as of the date of the Carve-Out Trigger Notice, payment of allowed accrued and unpaid professional fees and expenses incurred by the Debtors (excluding any incurred and unpaid professional fees and expenses of any of the agents or lenders payable pursuant to this Interim Order), and any Committee (collectively, the "Professionals") in an amount not in excess of \$1,000,000 plus all unpaid professional fees and expenses incurred prior to the occurrence of an Event of Default to the extent set forth in the Budget and to the extent allowed by the Bankruptcy Court at any time (the "Professionals' Carve-Out"); provided, however, that the Professionals' Carve-Out shall be reduced, dollar-for-

dollar, by the amount of any fees and expenses paid to the Professionals following delivery of a Carve-Out Trigger Notice to the Debtors (except to the extent (but in no event greater than \$750,000) that such fees and expenses are paid out of a retainer held by lead counsel to the Debtors as of the Commencement Date); provided further, however, that the DIP Agent shall be entitled to reduce, from time to time, the Borrowing Availability under the DIP Credit Agreement by the amount of the Professionals' Carve-Out that would exist if a Carve-Out Trigger Notice were issued at such time; and (iii) pursuant to Bankruptcy Code section 726, in the event these cases are converted to chapter 7, a separate and additional amount of \$50,000 in the aggregate that may be used (subject to Paragraph 19 below (other than the proviso thereto)) for the reasonable fees and expenses of a chapter 7 trustee. Notwithstanding the foregoing, so long as a Carve-Out Trigger Notice has not been issued, the Debtors shall be permitted to pay fees to estate professionals and reimburse expenses incurred by estate professionals to the extent set forth in the Budget and that are allowed and payable under sections 328, 330 and 331 of the Bankruptcy Code and compensation procedures approved by the Bankruptcy Court, as the same may be due and payable, and the same shall not reduce the Professionals' Carve-Out. In any event, the DIP Agent and the Prepetition Agent reserve the right to review and object to any fee statement, interim application or monthly application issued or filed by estate professionals. Notwithstanding any provision (including, without limitation, any "variance" or similar provision) of this Interim Order, any Final Order or the DIP Credit Agreement to the contrary, aggregate cumulative expenditures for restructuring professional fees (other than professional fees incurred by the DIP Agent, DIP Lenders or the Prepetition Agent) shall not exceed 100% of the amount with respect thereto set forth in the Budget.

20. Investigation of Prepetition Liens. No portion of the DIP Credit Facility, the DIP Collateral, the Prepetition Collateral, the Cash Collateral, or the Carve-Out, and no

disbursements set forth in the Budget, shall be used for the payment of professional fees, disbursements, costs or expenses incurred in connection with asserting any claims or causes of action (i) against the Prepetition Agent, the Prepetition Lenders, the DIP Agent, or the DIP Lenders, including, without limitation, any action challenging or raising any defenses to the Prepetition Obligations or the DIP Obligations, or the liens of the Prepetition Agent, the Prepetition Lenders, the DIP Agent, or the DIP Lenders, or (ii) against Vertis Receivables or the Securitization Provider, including, without limitation, any action challenging or raising any defenses to the Surviving A/R Obligations or the liens of the Securitization Provider, or any actions or claims arising out of or in any way related to the A/R Securitization Facility; provided, however, that no more than \$50,000 of the proceeds of the DIP Credit Facility or the DIP Collateral may be used by any Committee to investigate the prepetition liens and claims of the Prepetition Agent, the Prepetition Lenders and the Securitization Provider.

21. Cash Management System. The Debtors are authorized and directed to establish and maintain the cash management system described in the DIP Credit Agreement (the "Cash Management System"). The Cash Management System and all accounts established in connection therewith shall be used for the purposes and on the terms and conditions set forth in the DIP Credit Agreement and the other DIP Credit Documents. The Debtors are further authorized and directed to enter into any additional agreements providing for the establishment of lock boxes, blocked accounts, or similar arrangements in favor of the DIP Agent for purposes of facilitating cash collections from the Debtors in accordance with the terms of the DIP Credit Agreement. Except to the extent otherwise expressly set forth in the DIP Credit Agreement, the Debtors shall remit to the DIP Agent all Cash Collateral in or that comes into the Debtors' possession for application to the DIP Obligations in accordance with the terms of the DIP Credit Agreement.

22. Shared Control Between Prepetition Agent and DIP Agent. The

Prepetition Agent shall immediately share dominion and control with the DIP Agent with respect to each depository account of the Debtors or other third party that was subject to a deposit account control agreement with the Prepetition Agent as of the Commencement Date (including, without limitation, existing deposit account control agreements among one of the Debtors, the Prepetition Agent and Bank of America, N.A. and the M&T Control Agreement), and each of such deposit account control agreements shall hereafter be enforceable by the DIP Agent against, and binding upon, each depository institution party thereto until the DIP Obligations have been paid in full in cash and the DIP Credit Agreement shall have been terminated, after which such deposit account control agreements shall again be solely enforceable by the Prepetition Agent.

23. Adequate Protection for Prepetition Lenders. As adequate protection for

the payment of the Adequate Protection Obligations, subject to the Carve-Out, the Prepetition Agent, for the benefit of itself and the Prepetition Lenders, shall be, and hereby is, granted the Prepetition Agent/Revolver Replacement Lien, the Prepetition Term Replacement Lien and the Adequate Protection Priority Claims (each as defined in Paragraph I above). The Prepetition Agent/Revolver Replacement Lien shall be *pari passu* with the DIP Liens and the Securitization Provider's Replacement Lien, junior to the Non-Primed Liens with respect to the collateral encumbered by any such Non-Primed Liens, and senior to any other liens, including, without limitation, to the Primed Liens. The Prepetition Term Replacement Lien shall be junior to the DIP Liens, the Pari Passu Liens, the Prepetition Liens and the A/R Obligations Prepetition Liens, junior to the Non-Primed Liens with respect to the collateral encumbered by any such Non-Primed Liens, and senior to any other liens, including, without limitation, the Vertis Second Liens and the Vertis Second Lien Noteholders' Replacement Lien. The Agent/Revolver Adequate Protection Priority Claims shall be equal in priority to the Securitization Adequate

Protection Priority Claims and the DIP Superpriority Claims, and senior in priority to the Term Adequate Protection Priority Claims and the Vertis Second Lien Noteholder Adequate Protection Priority Claims. The Term Adequate Protection Priority Claims shall be junior in priority to the DIP Superpriority Claims, the Securitization Adequate Protection Priority Claims and the Agent/Revolver Adequate Protection Priority Claims, but senior in priority to the Vertis Second Lien Noteholder Adequate Protection Priority Claims. As additional adequate protection, (i) the Prepetition Agent shall be entitled to the ongoing payment of the Prepetition Agreement Expenses, including the fees and expenses of legal counsel and other professionals retained by the Prepetition Agent, as and when due and payable under the Prepetition Credit Documents (without giving effect to any acceleration provision therein); and (ii) except for the DIP Credit Facility and the DIP Liens granted to the DIP Agent and the DIP Lenders and the Surviving A/R Obligations and the Securitization Provider's Replacement Lien granted to the Securitization Provider pursuant to this Interim Order, the Debtors shall be prohibited from incurring additional indebtedness with claim status with priority over the Prepetition Obligations or liens equal to or senior in priority to the Prepetition Liens or the A/R Obligations Prepetition Liens, provided that the Debtors may incur liens which constitute Permitted Encumbrances, as such term is defined in the DIP Credit Agreement, or are otherwise permitted pursuant to Section 5.2(a) of the DIP Credit Agreement. As adequate protection for the Prepetition Term Lenders, the Prepetition Term Lenders shall receive: (i) the Prepetition Term Adequate Protection Cash Payments; (ii) payment by no later than thirty (30) days after receipt by the Debtors of the applicable invoice of up to \$50,000 of the customary, reasonable and documented out-of-pocket attorneys' fees, costs and expenses incurred prior to the Commencement Date; (iii) the payment of the customary, reasonable and documented out-of-pocket attorneys' fees, costs and expenses incurred after the Commencement Date (the "Prepetition Term Lender Expense Claims") in

accordance with the terms and conditions of the Prepetition Credit Agreement; and (iv) on the date that is the *earlier* of: (AA) the effective date of the Vertis Prepackaged Plan; and (BB) subject to payment in full, in cash of all obligations under the DIP Credit Facility and the A/R Securitization Facility (other than the Surviving A/R Obligations) and the payment in full in cash (or, as applicable, cash collateralization at 102%) of all Prepetition Agent/Revolver Obligations, the date of payment by the Debtors of any claim on account of principal under the Vertis Second Lien Notes or under the Vertis Senior Notes, a (1) cash payment equal to the difference between interest accrued on the Prepetition Term Loan at the default rate under the Prepetition Credit Agreement from and after the Commencement Date minus the Prepetition Term Adequate Protection Cash Payments, and (2) a work fee of 0.10% (10 basis points) of the principal amount of the Prepetition Term Loan. Additionally, the Debtors have agreed that the Prepetition Term Lenders will receive the unimpaired treatment option under the Vertis Prepackaged Plan. Nothing herein shall preclude the Prepetition Agent or the Prepetition Lenders (other than the Prepetition Term Lenders) from seeking additional adequate protection of their interests in the Prepetition Collateral or from seeking the termination of the Debtors' use of Cash Collateral upon the occurrence of an Event of Default. Notwithstanding anything in the prior sentence to the contrary, the Prepetition Term Lenders shall not be prohibited under this Interim Order from seeking additional adequate protection of their interests in the Prepetition Collateral; provided, however, that all parties in interest reserve all rights and defenses (including, in either event and without limitation, under the Prepetition Credit Agreement) with respect to any such action by the Prepetition Term Lenders. Furthermore, nothing herein shall be construed as an acknowledgment or stipulation by the Prepetition Agent or the Prepetition Lenders that their interests in the Prepetition Collateral are adequately protected pursuant to this Interim Order or otherwise.

24. Adequate Protection for Securitization Provider. As adequate protection for any postpetition diminution in the value of the Securitization Provider's interest in the Securitization Collateral and subject to the Carve-Out, the Securitization Provider is hereby granted: (a) pursuant to sections 361, 363 and 364(d) of the Bankruptcy Code, a valid, enforceable, unavoidable, and fully perfected security interest in and lien and mortgage (collectively, the "Securitization Provider's Replacement Lien") upon the DIP Collateral, and (b) an administrative priority claim under section 507(b) of the Bankruptcy Code (the "Securitization Provider's Adequate Protection Priority Claims"). The Securitization Provider's Replacement Lien and Securitization Adequate Protection Priority Claims shall secure the payment of the Surviving A/R Obligations in an amount equal to any diminution in the value of the Securitization Provider's interests in the Securitization Collateral from and after the Commencement Date. The Securitization Provider's Replacement Lien shall be pari passu with the DIP Liens and the Prepetition Agent/Revolver Replacement Lien, junior to the Non-Primed Liens with respect to the collateral encumbered by any such Non-Primed Liens, and senior to any other liens, including, without limitation, to the Primed Liens. The Securitization Adequate Protection Priority Claims shall share equal priority with the Agent/Revolver Adequate Protection Priority Claims and the DIP Superpriority Claims and shall be senior in priority to the Term Adequate Protection Priority Claims and the Vertis Second Lien Noteholder Adequate Protection Priority Claims.

25. Adequate Protection for Vertis Second Lien Noteholders. As adequate protection for any postpetition diminution in the value of the Vertis Second Lien Noteholders' interest in the Prepetition Collateral and subject to the Carve-Out, GE Capital, as Collateral Agent under the Prepetition Security Agreement, on behalf of the Vertis Second Lien Noteholders is hereby granted: (a) effective as of the date of this Interim Order, payment in cash

of all accrued but unpaid interest to the date hereof at the non-default contract rate, together with interest on the accrued but unpaid interest that was due and payable on April 1, 2008 from April 1, 2008 through and including the date hereof; (b) subsequent to the date hereof and through and including the effective date of the Vertis Prepackaged Plan, payment in cash on a monthly basis of all interest accruing on the Vertis Second Lien Notes at the non-default contract rate; (c) subject to this Interim Order, payment of fees and reimbursement of expenses of the Vertis Second-Lien Noteholder Advisors (as defined in the Restructuring Agreement) and the 9 ¾% Indenture Trustee in accordance with the terms of the Restructuring Agreement; (d) pursuant to sections 361, 363 and 364(d) of the Bankruptcy Code, a replacement lien and security interest (the "Vertis Second Lien Noteholder Replacement Lien") in all of the DIP Collateral; and (e) an administrative priority claim under section 507(b) of the Bankruptcy Code (the "Vertis Second Lien Noteholder Adequate Protection Priority Claims"); provided, however, that Borrower and Guarantors shall be prohibited from making any payment under the Restructuring Agreement (whether on account of adequate protection, reimbursement of professional or indenture trustee fees and expenses or otherwise), including, without limitation, those payments described in subsections (a), (b) and (c) of the preceding sentence, until the Pre Petition Revolving Credit Advances have been repaid in full in cash and the Pre Petition Letter of Credit Obligations have been repaid or cash collateralized in cash at 102%. The Vertis Second Lien Noteholder Replacement Lien and Vertis Second Lien Noteholder Adequate Protection Priority Claims shall secure the payment of the Vertis Second Lien Noteholder Obligations in an amount equal to any diminution in the value of the Vertis Second Lien Noteholders' interests in the Prepetition Collateral from and after the Commencement Date. The Vertis Second Lien Noteholder Adequate Protection Liens shall be junior in priority to the DIP Liens, the Pari Passu Liens and all remaining Primed Liens, and junior to the Non-Primed Liens with respect to the collateral

encumbered by any such Non-Primed Liens. The Vertis Second Lien Noteholder Adequate Protection Priority Claims shall be junior in priority to the DIP Superpriority Claims, the Securitization Adequate Protection Priority Claims and to the Adequate Protection Priority Claims. Adequate protection payments on account of (a) of paragraph 25 of this Interim Order shall be made to the holders of Vertis Second Lien Notes of record on July 7, 2008 (the "Record Date").³ The Debtors shall make payment of the adequate protection payments on account of section (a) of paragraph 25 of this Interim Order to the 9 ¾% Indenture Trustee (for distribution to the Vertis Second Lien Noteholders as of the Record Date) on or before July 21, 2008. Adequate protection payments on account of section (b) of paragraph 25 of this Interim Order shall be made on or before the twenty-second (22nd) day of the applicable month to holders of Vertis Second Lien Notes of record on the earlier of (a) the fifteenth day (15th) of such month and (b) seven (7) days prior to the date that such adequate protection payments are made (the "Monthly Record Date"), with such payments to be made by the Debtors to the 9 ¾% Indenture Trustee (for distribution to the Vertis Second Lien Noteholders as of the applicable Monthly Record Date). The foregoing dates shall be deemed the record dates under the 9 ¾% Indenture for purposes of the adequate protection payments described above..

26. 506(c) Waiver. Upon the entry of the Final Order, the Debtors shall irrevocably waive and shall be prohibited from asserting any surcharge claim, under section 506(c) of the Bankruptcy Code or otherwise, for any costs and expenses incurred in connection with the preservation, protection or enhancement of, or realization by the DIP Agent, the DIP Lenders, the Securitization Provider, the Prepetition Agent or the Prepetition Lenders upon, the DIP Collateral, the Securitization Collateral or the Prepetition Collateral. In no event shall the

³ The Debtors established the Record Date pursuant to a prepetition notice sent to the Vertis Second Lien Noteholders on July 7, 2008 in accordance with the terms and conditions of the 9 ¾% Indenture.

DIP Agent or the DIP Lenders be subject to the equitable doctrine of marshaling or any similar doctrine with respect to the DIP Collateral.

27. Restrictions on Granting Post-Petition Liens. Except for the Carve-Out, Permitted Encumbrances (as defined in the DIP Credit Agreement) and liens otherwise permitted pursuant to Section 5.2(a) of the DIP Credit Agreement, no claim or lien having a priority superior to or pari passu with those granted pursuant to this Interim Order to the DIP Agent and the DIP Lenders, the Securitization Provider or the Prepetition Agent and the Prepetition Lenders, respectively, shall be granted or allowed while any portion of the DIP Credit Facility (or any refinancing thereof), the Revolving Loan Commitments (as defined in the DIP Credit Agreement) thereunder, the DIP Obligations, the Surviving A/R Obligations, or the adequate protection obligations owing to the Prepetition Lenders, the Securitization Provider and the Vertis Second Lien Noteholders remain outstanding; provided, however, that any liens constituting Permitted Encumbrances (as defined in the DIP Credit Agreement) or otherwise permitted pursuant to Section 5.2(a) of the DIP Credit Agreement shall have the same relative priority vis-à-vis the DIP Liens as they have vis-à-vis the Prepetition Liens. Except as expressly permitted by the DIP Credit Agreement, the Debtors shall not grant mortgages, security interests, or liens in the DIP Collateral to any parties pursuant to section 364(d) of the Bankruptcy Code or otherwise.

28. Beneficiaries of Order. The provisions of this Interim Order shall be binding upon and inure to the benefit of the DIP Agent, the DIP Lenders, the Securitization Provider, the Prepetition Agent, the Prepetition Lenders, the Vertis Second Lien Noteholders, the Debtors, and their respective successors and assigns (including, without limitation, any trustee or other fiduciary hereafter appointed for or on behalf of any Debtor's estate or with respect to its property).

29. Survival of Order. The provisions of this Interim Order and any actions taken pursuant thereto (a) shall survive the entry of any order: (i) confirming any plan of reorganization in any of the Vertis Debtors' Reorganization Cases; (ii) converting any of the Vertis Debtors' Reorganization Cases to a case under chapter 7 of the Bankruptcy Code; or (iii) dismissing any of the Vertis Debtors' Reorganization Cases; and (b) shall continue in full force and effect notwithstanding the entry of any such order, and the claims, liens, and security interests granted pursuant to this Interim Order shall maintain their priority as provided by this Interim Order until all of the DIP Obligations are indefeasibly paid in full and discharged in accordance with the terms of the DIP Credit Agreement. The DIP Obligations shall not be discharged by the entry of any order confirming any plan of reorganization in any of the Vertis Debtors' Reorganization Cases, and the Debtors shall, and shall be deemed to, waive any such discharge pursuant to section 1141(d)(4) of the Bankruptcy Code.

30. Protection under Section 364(e). If any or all of the provisions of this Interim Order are hereafter reversed, modified, vacated or stayed, such reversal, modification, vacation or stay shall not affect (i) the validity of any DIP Obligations, Surviving A/R Obligations or adequate protection obligations owing to the Prepetition Lenders, the Securitization Provider and the Vertis Second Lien Noteholders incurred prior to the actual receipt by the DIP Agent, the Securitization Provider, the Prepetition Agent, or the 9 ¾% Indenture Trustee, as applicable, of written notice of the effective date of such reversal, modification, vacation or stay, or (ii) the validity or enforceability of any claim, lien, security interest or priority authorized or created hereby or pursuant to the DIP Credit Documents with respect to any DIP Obligations, Surviving A/R Obligations or adequate protection obligations owing to the Prepetition Lenders, the Securitization Provider and the Vertis Second Lien Noteholders. Notwithstanding any such reversal, modification, vacation or stay, any use of Cash

Collateral or the incurrence of DIP Obligations, Surviving A/R Obligations, or adequate protection obligations owing to the Prepetition Lenders, the Securitization Provider and the Vertis Second Lien Noteholders by the Debtors prior to the actual receipt by the DIP Agent, the Securitization Provider, the Prepetition Agent, or the Indenture Trustee, as applicable, of written notice of the effective date of such reversal, modification, vacation or stay, shall be governed in all respects by the provisions of this Interim Order, and the DIP Agent, the DIP Lenders, the Securitization Provider, the Prepetition Agent, the Prepetition Lenders and the 9 3/4% Indenture Trustee shall be entitled to all of the rights, remedies, protections and benefits granted under section 364(e) of the Bankruptcy Code, this Interim Order, and the DIP Credit Documents with respect to all uses of Cash Collateral and the incurrence of DIP Obligations, Surviving A/R Obligations and adequate protection obligations owing to the Prepetition Lenders, the Securitization Provider and the Vertis Second Lien Noteholders.

31. Events of Default. Except as otherwise provided in this Interim Order or to the extent the DIP Agent may otherwise agree in writing, any violation of any of the terms of this Interim Order or any occurrence of an "Event of Default" pursuant to section 7.1 of the DIP Credit Agreement shall constitute an event of default ("Event of Default").

32. Modification of Stay. The automatic stay provisions of section 362 of the Bankruptcy Code are hereby vacated and modified to the extent necessary to permit the DIP Agent and the DIP Lenders to exercise, upon the occurrence and during the continuation of any Event of Default, all rights and remedies provided for in the DIP Credit Documents, and to take any or all of the following actions without further order of or application to this Court:

(a) immediately terminate the Debtors' use of Cash Collateral and cease making any DIP Loans to the Debtors; (b) immediately declare all DIP Obligations to be immediately due and payable and require the Debtors to cash collateralize all Letter of Credit Obligations (as defined in the

DIP Credit Agreement) as provided in the DIP Credit Agreement; (c) immediately terminate the Revolving Loan Commitments; (d) immediately set off any and all amounts in accounts maintained by the Debtors with the DIP Agent or any of the DIP Lenders against the DIP Obligations, or otherwise enforce rights against the DIP Collateral in the possession of any of the DIP Lenders for application towards the DIP Obligations; and (e) take any other actions or exercise any other rights or remedies permitted under this Interim Order, the DIP Credit Documents or applicable law to effect the repayment of the DIP Obligations; provided, however, that the DIP Agent shall provide five (5) days written notice (by facsimile, telecopy or otherwise) to counsel to the Debtors, counsel to any Committee, and counsel to the U.S. Trustee prior to exercising any setoff or other lien enforcement rights or remedies (other than cash dominion rights or remedies) with respect to the DIP Collateral. Upon entry of this Interim Order, no party in interest shall have the right to contest the enforcement of the remedies set forth in this Interim Order and the DIP Credit Agreement on any basis other than an assertion that no Event of Default has occurred, and, except with respect to such an assertion, no party in interest shall have the right to enjoin any such enforcement under section 105 of the Bankruptcy Code or otherwise, or to seek any injunctive relief inconsistent with the provisions of this Interim Order or the DIP Credit Agreement. The rights and remedies of the DIP Agent and the DIP Lenders specified herein are cumulative and not exclusive of any rights or remedies that the DIP Agent and the DIP Lenders may have under the DIP Credit Documents or otherwise. Borrower shall cooperate fully with the DIP Agent and the DIP Lenders in their exercise of rights and remedies, whether against the DIP Collateral or otherwise.

33. Limitations on Borrowings. In further consideration for the DIP Lenders' agreement to provide the DIP Credit Facility, and the Prepetition Lenders' consent to the use of Cash Collateral, the Debtors, on behalf of themselves and their respective estates, agree that

neither the Debtors nor any party acting on their behalf (including any Committee) may seek authorization for the Debtors to borrow money from any person other than the DIP Lenders to the extent that the repayment of such borrowings is to be secured pursuant to section 364(d)(1) of the Bankruptcy Code by a lien or security interest that is senior or equal to the liens and security interests held by the Prepetition Agent (for the ratable benefit of the Prepetition Lenders), including the Prepetition Lender Replacement Liens, or by the DIP Agent, unless the Debtors provide for the immediate indefeasible payment in full in cash of the DIP Obligations, the Surviving A/R Obligations and the Prepetition Agreement Expenses at closing in connection with such borrowings.

34. Debtors' Stipulations. Each of the Debtors on behalf of itself and each of its successors and assigns, including a chapter 7 trustee, has stipulated and is hereby deemed:

(a) to release and discharge the DIP Agent, DIP Lenders, Prepetition Agent and Prepetition Lenders, in their respective capacities as such, together with their respective agents, attorneys, employees, heirs, executors, administrators, officers, directors, successors and assigns, from any and all claims, causes of action and remedies (whether under the Bankruptcy Code or other applicable law) arising out of, based upon or related to the Post-Petition Indebtedness, the DIP Collateral, the Prepetition Indebtedness, or the Prepetition Collateral; (b) to release and discharge the Securitization Provider and Vertis Receivables, together with their respective agents, attorneys, employees, heirs, executors, administrators, officers, directors, successors and assigns, from any and all claims, causes of action and remedies (whether under the Bankruptcy Code or other applicable law) arising out of, based upon or in any way related to the A/R Securitization Facility, the Securitization Collateral, the Surviving A/R Obligations or the A/R Purchase; and (c) to waive any and all defenses (including, without limitation, offsets and counterclaims of any nature or kind) as to the validity, perfection, priority, enforceability, amount and nonavoidability

(under the Bankruptcy Code or otherwise) of the Post-Petition Indebtedness, Prepetition Indebtedness, Surviving A/R Obligations and the security interests in and liens upon the DIP Collateral, the Securitization Collateral and the Prepetition Collateral. The releases and waivers set forth in this paragraph and in any other paragraph of this Interim Order are deemed effective upon the date of entry of this Interim Order, but are expressly without prejudice to the rights of any Committee or any other party with standing to challenge the validity of the liens and claims asserted by the Prepetition Lenders, or otherwise seek to prosecute claims held by the Debtors' estates against the Prepetition Lenders, in accordance with and subject to the provisions of Paragraph 36.

35. Modifications of DIP Credit Agreement and Budgets. The Debtors are hereby authorized, without further order of this Court to enter into agreements with the DIP Agent providing for any non-material modifications to the Budget or the DIP Credit Agreement, or of any other modifications to the DIP Credit Agreement necessary to conform the DIP Credit Agreement to this Interim Order; provided, however, that notice of any material modification or amendment to the Budget or the DIP Credit Agreement shall be provided to counsel to any Committee and counsel to the U.S. Trustee, each of whom shall have five (5) days from the date of such notice within which to object in writing to such modification or amendment. If any Committee or the U.S. Trustee timely objects to any material modification or amendment to the Budget or the DIP Credit Agreement, such modification or amendment shall only be permitted pursuant to an order of this Court.

36. Stipulations Regarding Prepetition Obligations and Prepetition Liens Binding on Parties in Interest. The stipulations and admissions contained in this Interim Order, including, without limitation, in recital Paragraphs E(1) through E(9) of this Interim Order, shall be binding on all parties in interest, including, without limitation, any Committee, unless, and

solely to the extent that, (a) any Committee, or another party in interest with standing and requisite authority, has timely commenced an appropriate contested matter or adversary proceeding (subject to the limitations set forth in Paragraph 20 hereof) (a "Challenge") challenging the amount, validity, or enforceability of the Prepetition Obligations, or the perfection or priority of the Prepetition Liens, or otherwise asserting any claims or causes of action on behalf of the Debtors' estates against the Prepetition Agent or the Prepetition Lenders relating to the Prepetition Obligations no later than the earlier of (X) seventy five (75) days after commencement of the Vertis Debtors' Reorganization Cases, or (Y) August 19, 2008 (*i.e.*, the deadline established by the Bankruptcy Court (as it may be extended by the Bankruptcy Court) for the filing of objections to the confirmation of the Joint Prepackaged Plan of Reorganization Under Chapter 11 of the Bankruptcy Code of Vertis Holdings, Inc., *et al.* proposed by Vertis Holdings, Inc., *et al.* and ACG Holdings, Inc., *et al.* (the "Vertis Prepackaged Plan") in substantially the form solicited pursuant to the Disclosure Statement relating to the Joint Prepackaged Plan of Reorganization of Vertis Holdings, Inc. *et al.* under Chapter 11 of the Bankruptcy Code and the Joint Prepackaged Plan of Reorganization of ACG Holdings, Inc.), and (b) the Court rules in favor of the plaintiff in any such timely and properly filed Challenge. If no such Challenge is timely commenced as of such date then, without further order of the Court, (i) the claims, liens and security interests of the Prepetition Agent and the Prepetition Lenders shall, without further order of the Court, be deemed to be finally allowed for all purposes in the Vertis Debtors' Reorganization Cases and any subsequent chapter 7 cases and shall not be subject to challenge by any party in interest as to validity, priority or otherwise, and (ii) without further order of the Court, the Debtors and their estates shall be deemed to have released any and all claims or causes of action against the Prepetition Agent and the Prepetition Lenders with respect to the Prepetition Credit Documents or any related transactions. Notwithstanding anything to the

contrary herein, if any such Challenge is timely commenced, the stipulations contained in Paragraphs E(1) through E(9) hereof shall nonetheless remain binding on all parties in interest and preclusive (as provided in the second sentence of this Paragraph 36) except to the extent that such stipulations are expressly and successfully challenged in such Challenge.

37. Releases Relating to A/R Securitization Facility, Surviving A/R

Obligations, A/R Purchase and A/R Obligations Prepetition Liens Binding on Parties in Interest.

The Debtors' (a) release and discharge of the Securitization Provider and Vertis Receivables, together with their respective agents, attorneys, employees, heirs, executors, administrators, officers, directors, successors and assigns, from any and all claims, causes of action and remedies (whether under the Bankruptcy Code or other applicable law) arising out of, based upon or in any way related to the A/R Securitization Facility, the Securitization Collateral, the Surviving A/R Obligations or the A/R Purchase, and (b) waiver of any and all defenses (including, without limitation, offsets and counterclaims of any nature or kind) as to the validity, perfection, priority, enforceability, amount and nonavoidability (under the Bankruptcy Code or otherwise) of the Surviving A/R Obligations and the A/R Obligations Prepetition Liens, as set forth in Paragraph 34 of this Interim Order, shall be binding upon all parties in interest, including, without limitation, the Committee, unless, and solely to the extent that, (x) any Committee, or another party in interest with standing and requisite authority, has timely commenced an appropriate contested matter or adversary proceeding (subject to the limitations set forth in Paragraph 20 hereof) (a "Securitization Challenge") challenging the amount, validity, or enforceability of the Surviving A/R Obligations or the perfection or priority of the A/R Obligations Prepetition Liens, or otherwise asserting any claims or causes of action on behalf of the Debtors' estates against the Securitization Provider or Vertis Receivables arising out of, based upon or in any way related to the A/R Securitization Facility, the Securitization Collateral, the Surviving A/R Obligations or

the A/R Purchase no later than the earlier of (X) seventy five (75) days after commencement of the Vertis Debtors' Reorganization Cases, or (Y) August 19, 2008 (*i.e.*, the deadline established by the Bankruptcy Court (as it may be extended by the Bankruptcy Court) for the filing of objections to the Vertis Prepackaged Plan), and (b) the Court rules in favor of the plaintiff in any such timely and properly filed Securitization Challenge. If no such Securitization Challenge is timely commenced as of such date then, without further order of the Court, (i) the claims, liens and security interests of the Securitization Provider shall, without further order of the Court, be deemed to be finally allowed for all purposes in the Vertis Debtors' Reorganization Cases and any subsequent chapter 7 cases and shall not be subject to challenge by any party in interest as to validity, priority or otherwise, and (ii) without further order of the Court, the Debtors and their estates shall be deemed to have released any and all claims or causes of action against the Securitization Provider and Vertis Receivables with respect to the A/R Securitization Facility, the Securitization Collateral, the Surviving A/R Obligations or the A/R Purchase.

Notwithstanding anything to the contrary herein, if any such Securitization Challenge is timely commenced, the releases and waivers contained in this Paragraph 37 shall nonetheless remain binding upon all parties in interest and preclusive (as provided in the second sentence of this Paragraph 37) except to the extent that such releases and waivers are expressly and successfully challenged in such Securitization Challenge.

38. Termination of Commitments. The commitment of the DIP Lenders shall terminate and all amounts owing under the DIP Credit Facility shall be due and payable (and, as to letters of credit then outstanding, the Debtors shall be obligated to deposit with the DIP Agent cash in an amount equal to 105% of the face amount of such letters of credit), on the earliest to occur of the following (the "Termination Date"): (1) the date that is ninety (90) days after the filing of the Vertis Debtors' Reorganization Cases, (2) the effective date of a plan confirmed in

the Vertis Debtors' Reorganization Cases, (3) the Borrower's receipt of written notice (which notice may be delivered by facsimile or other electronic transmission and may be delivered to the chief financial officer of the Borrower) of the occurrence of an Event of Default hereunder or under the definitive DIP Credit Facility documents and a determination by the DIP Agent or Requisite DIP Lenders to terminate the commitments and to terminate the DIP Lenders' consent to the Borrower's and Guarantors' use of Cash Collateral (such notice, a "Carve-Out Trigger Notice") and (4) the payment in full in cash of all obligations under the DIP Credit Facility and the A/R Securitization Facility (other than the Surviving A/R Obligations) and the payment in full in cash (or, as applicable cash collateralization at 102%) of all Prepetition Agent/Revolver Obligations.

39. Master Proof of Claim. The Prepetition Agent shall be authorized (but not required) to file a master proof of claim against the Debtors (the "Master Proof of Claim") on behalf of itself and the Prepetition Lenders on account of their prepetition claims arising under the Prepetition Credit Documents, and the Prepetition Agent shall not be required to file a verified statement pursuant to Bankruptcy Rule 2019. If the Prepetition Agent so files a Master Proof of Claim against the Debtors, the Prepetition Agent and each Prepetition Lender, and each of their respective successors and assigns, shall be deemed to have filed a proof of claim in the amount set forth opposite its name therein in respect of its claims against the Debtors arising under the Prepetition Credit Documents, and the claims of the Prepetition Agent and each Prepetition Lender (and their respective successors and assigns) named in the Master Proof of Claim shall be allowed or disallowed as if such entity had filed a separate proof of claim in each Chapter 11 Case or any successor cases in the amount set forth opposite each name listed in the Master Proof of Claim. The Prepetition Agent shall further be authorized to amend its respective Master Proof of Claim from time to time to, among other things, reflect a change in the holders

of the claims set forth therein or a reallocation among such holders of the claims asserted therein resulting from any transfer of such claims. The provisions set forth in this Paragraph 39 and any Master Proof of Claim filed pursuant to the terms hereof are intended solely for the purpose of administrative convenience and shall not affect the substantive rights of any party in interest or their respective successors in interest, including, without limitation, the rights of the Prepetition Agent and each Prepetition Lender as the holder of a claim against the Debtors under applicable law, and the numerosity requirements set forth in section 1126 of the Bankruptcy Code.

40. Final Hearing. The Final Hearing is scheduled for August 13, 2008 at 10:00 a.m. (prevailing Eastern Time) before this Court. Any objections by creditors or other parties in interest to any provisions of this Interim Order shall be deemed waived unless timely filed and served in accordance with this Paragraph 40. The Debtors shall promptly serve a notice of entry of this Interim Order and the Final Hearing, together with a copy of this Interim Order, by first class mail, postage prepaid, facsimile, electronic mail or overnight mail upon the Notice Parties. In addition, the Debtors shall promptly serve a notice of the lien on avoidance actions and the 506(c) waiver contained herein on all parties in interest other than the Notice Parties by first class mail, postage prepaid, facsimile or electronic mail. The notice of the entry of this Interim Order and the Final Hearing and the notice of the 506(c) waiver shall state that objections to the entry of the Final Order shall be filed with the United States Bankruptcy Court for the District of Delaware by no later than 5:00 p.m. (prevailing Eastern Time) on August 6, 2008 (the "Objection Deadline").

41. Reservations by 9 3/4% Indenture Trustee and Vertis Second Lien Noteholders. The 9 3/4% Indenture Trustee and ^{certain} the Vertis Second Lien Noteholders ^{reserve their} ~~have asserted~~ ^{rights to} ~~that they may~~ object to entry of the Final Order if they are not provided treatment thereunder with respect to a challenge period regarding the extent, priority and validity of their respective

liens and/or claims and representations of the Debtors thereto. All parties in interest, including the Debtors, reserve all of their rights with respect thereto.

Dated: July 16 2008.


UNITED STATES BANKRUPTCY JUDGE