

Imaged Certificate of Notice Page 1 of 71

United States Bankruptcy Court  
Central District of California

In re:  
Colorep, Inc.  
Transprint USA, Inc.  
Debtors

Case No. 13-27689-WB  
Chapter 11

**CERTIFICATE OF NOTICE**

District/off: 0973-2

User: admin  
Form ID: pdf042

Page 1 of 2  
Total Noticed: 1

Date Rcvd: Aug 16, 2013

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Aug 18, 2013.

db +Colorep, Inc., c/o Law Offices of Joseph P. Bartlett, 1900 Avenue of the Stars, 20th Floor,  
Los Angeles, CA 90067-4501

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.  
NONE. TOTAL: 0

\*\*\*\*\* BYPASSED RECIPIENTS (undeliverable, \* duplicate) \*\*\*\*\*

dbpos Transprint USA, Inc.

TOTALS: 1, \* 0, ## 0

Addresses marked '+' were corrected by inserting the ZIP or replacing an incorrect ZIP.  
USPS regulations require that automation-compatible mail display the correct ZIP.

I, Joseph Speetjens, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 9): Pursuant to Fed. R. Bank. P. 2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Aug 18, 2013

Signature:



District/off: 0973-2

User: admin  
Form ID: pdf042

Page 2 of 2  
Total Noticed: 1

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The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on August 16, 2013 at the address(es) listed below:

Brian L Davidoff on behalf of Creditor Quercus Trust bdavidoff@greenbergglusker.com,  
jreinglass@greenbergglusker.com;kwoodson@greenbergglusker.com;calendar@greenbergglusker.com;sgaeta@greenbergglusker.com  
Christopher O Rivas on behalf of Creditor Columbia Gas of Virginia, Inc. crivas@reedsmith.com  
Danielle A Pham on behalf of Debtor Colorep, Inc. dpham@stutman.com, daniellepham@gmail.com  
David W. Meadows on behalf of Creditor Virginia Electric And Power Co  
david@davidwmeadowslaw.com  
Frank T Pepler on behalf of Creditor Meserole, LLC frank.pepler@dlapiper.com  
Jeffrey M. Reisner on behalf of Interested Party Courtesy NEF jreisner@irell.com  
Margreta M Morgulas on behalf of Debtor Transprint USA, Inc. mmorgulas@stutman.com  
Margreta M Morgulas on behalf of Debtor Colorep, Inc. mmorgulas@stutman.com  
Michael S Neumeister on behalf of Debtor Colorep, Inc. mneumeister@stutman.com  
Michael S Neumeister on behalf of Debtor Transprint USA, Inc. mneumeister@stutman.com  
Michael S Neumeister on behalf of Debtor In Possession Transprint USA, Inc.  
mneumeister@stutman.com  
Nicola G Suglia, Esq on behalf of Creditor Canon Financial Services, Inc. c/o Fleischer,  
Fleischer & Suglia nsuglia@fleischerlaw.com  
Patrick B Howell on behalf of Creditor Sensient Imaging Technologies S.A., Sensient  
Technologies Corporation phowell@whdlaw.com, dprim@whdlaw.com;tmichalak@whdlaw.com  
Ron Maroko on behalf of U.S. Trustee United States Trustee (LA) ron.maroko@usdoj.gov  
Stephan W Milo on behalf of Interested Party Courtesy NEF smilo@wawlaw.com,  
psilling@wawlaw.com  
United States Trustee (LA) ustpregion16.la.ecf@usdoj.gov

TOTAL: 16

1 **Frank T. Pepler**  
2 **Bertrand Pan**  
3 **DLA PIPER LLP (US)**  
4 550 South Hope Street  
5 Suite 2300  
6 Los Angeles, CA 90071-2678  
7 Telephone: 213-330-7700  
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9 **Stuart M. Brown**  
10 **DLA PIPER LLP (US)**  
11 919 N. Market Street  
12 Suite 1500  
13 Wilmington, DE 19801-3046  
14 Telephone: 302-468-5700  
15 Facsimile: 302-394-2341

16 Attorneys for Meserole, LLC

17 **UNITED STATES BANKRUPTCY COURT**

18 **CENTRAL DISTRICT OF CALIFORNIA**

19 **LOS ANGELES DIVISION**

20 In re:

21 Colorep, Inc., et al.,

22 Debtors and Debtors-  
23 in-Possession.

Case No. 13-27689 WB

Chapter 11

**FINAL ORDER (A) AUTHORIZING  
DEBTOR TO OBTAIN POSTPETITION  
FINANCING; (B) GRANTING  
SUPERPRIORITY EXPENSE CLAIMS  
AND PRIMING LIENS; AND (C)  
GRANTING OTHER RELIEF UNDER 11  
U.S.C. §§ 105, 361, 362, 363,  
364 AND 507(B), F.R.B.P. 2002  
AND 4001; AND LBRS 2002-1 AND  
4001-2)**

HEARING

DATE: AUGUST 15, 2013

TIME: 2:00 P.M.

PLACE: 255 E. TEMPLE STREET,  
COURTROOM 1475  
LOS ANGELES, CA 90012

**FILED & ENTERED**

**AUG 16 2013**

CLERK U.S. BANKRUPTCY COURT  
Central District of California  
BY kaaumoan DEPUTY CLERK

1 After notice and the final hearing on the Motion Of Debtors  
2 For Entry Of Interim And Final DIP Orders (A) Authorizing Debtors  
3 To Obtain Postpetition Financing; (B) Granting Superpriority  
4 Expense Claims And Priming Liens; And (C) Granting Other Relief  
5 Under 11 U.S.C. §§ 105, 361, 362, 363, 364 and 507(b), F.R.B.P.  
6 2002 and 4001; and LBRs 2002-1 and 4001-2 (the "**Motion**"), dated  
7 July 10, 2013, of Colorep, Inc. and Transprint USA, Inc., as  
8 debtors and debtors-in-possession (collectively, the "**Debtors**"),  
9 in the above-captioned chapter 11 cases (the "**Cases**") under  
10 sections 105, 361, 362, 363, 364(c)(1), 364(c)(2), 364(c)(3),  
11 364(d)(1), 364(e) and 507(b) of title 11 of the United States  
12 Code, 11 U.S.C. §§ 101, et seq. (as amended, the "**Bankruptcy**  
13 **Code**"), and Rules 2002, 4001 and 9014 of the Federal Rules of  
14 Bankruptcy Procedure (the "**Bankruptcy Rules**") and Local Rules for  
15 the Bankruptcy Court for the Central District of California (the  
16 "**Local Rules**") 4001-2, 2002-2(a)(4) and 9013, seeking, among  
17 other things:

18 i) authorization for Debtors to enter into and to be  
19 bound by, and the approval of (A) the provisions of that  
20 certain Senior Secured Priming Debtor In Possession Term  
21 Credit Facility Term Sheet in the form attached hereto as  
22 Exhibit "1" (as amended, the "**DIP Term Sheet**"), by and among  
23 Colorep, Inc. and Transprint USA, Inc., as borrower,  
24 Meserole, LLC, together with such other lenders who become  
25 party thereto from time to time (collectively, "**DIP**  
26 **Lenders**") and Meserole, LLC, as administrative and  
27 collateral agent for itself and the DIP Lenders (in such  
28 capacity, the "**DIP Agent**") and (B) the provisions of the

1 other documents, agreements and instruments reasonably  
2 necessary to document the financing and transactions  
3 contemplated in the DIP Term Sheet and herein, including  
4 without limitation a credit agreement, if any, and any other  
5 documents granting a lien upon, or control (for Uniform  
6 Commercial Code purposes) of the DIP Collateral (as defined  
7 below) as security for payment of the DIP Obligations (as  
8 defined below) (collectively, the "**Ancillary DIP**  
9 **Agreements**": The DIP Term Sheet, and this Order (the "**Final**  
10 **DIP Order**"), collectively, the "**DIP Documents**"), and that  
11 the DIP Documents are entered into in connection with  
12 postpetition financing (the "**DIP Loan**" or the "**DIP**  
13 **Financing**") consisting of a superpriority and senior,  
14 priming lien, secured term credit facility (collectively,  
15 the "**DIP Facility**") pursuant to which, upon entry of this  
16 Final DIP Order:

17 a. Debtors may borrow from the DIP Lenders multiple  
18 draw term loans up to an aggregate principal amount  
19 outstanding not to exceed \$2,500,000.00 (inclusive of  
20 the Interim DIP Advances)<sup>1</sup> under the terms of the DIP  
21 Documents and upon the entry of the Final DIP Order to  
22 provide working capital for Debtors and for payment of  
23 administrative expenses of the Cases until the  
24 Termination Date;

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25  
26 <sup>1</sup> If Fuller Smith Capital Management, LLC ("FSCM"), or any other person,  
27 elects to become a DIP Lender, Meserole reserves the right to assign the role  
28 of DIP Agent and grant such participations as Meserole shall believe  
appropriate without further order of the Court; provided, however, that such  
assignment and participation shall not decrease any benefit available to the  
Debtors hereunder.

b. Debtors are authorized to execute and enter into the DIP Documents and to perform such other and further acts as may be required in connection with the DIP Documents; and

c. Debtors' right to surcharge any Pre-Petition Collateral (as defined below) and DIP Collateral (as defined below) under sections 105, 506(c) and 552(b) of the Bankruptcy Code shall be limited.

Debtors having served notice of the Final Hearing on the Motion pursuant to sections 102(1), 361, 362, 363 and 364 of the Bankruptcy Code and Bankruptcy Rules 2002, 4001(b), (c) Local Bankruptcy Rules 4001-2, 2002-2(a)(4) and 9013, and (d) the express terms of the Interim Order, and the relief requested in the Motion. Notice of the Final Hearing was given to, among others, Debtors' Twenty Largest unsecured creditors as set forth in the list filed by Debtors pursuant to Bankruptcy Rule 1007(d) (the **"Twenty Largest Creditors List"**); counsel for the Pre-Petition Lender, and Meserole as DIP Agent and DIP Lender, all known holders of liens on Debtors' assets; and the Office of the United States Trustee for the Central District of California (the **"United States Trustee"**);

The Debtors having filed Cases on July 10, 2013 (the **"Petition Date"**);

The Debtors (a) having filed on July 11, 2013, their Emergency Motions for Orders (i) Authorizing Continued Maintenance Of Bank Accounts, Cash Management System; and Existing Business Forms; Memorandum Of Points And Authorities In

1 Support Thereof Filed by Debtor Colorep, Inc.; (ii) Authorizing  
2 Payment of Prepetition Payroll And Compensation Programs; (iii)  
3 Limiting Notice And Permitting Service By Mail; (iv) Continuing  
4 Utility Service and Approving Adequate Assurance of Payment, and  
5 for approval of the DIP Loan on an interim basis pursuant to the  
6 Motion ("**First Day Pleadings**");

7 The Court having held a hearing on approval of the DIP Loan  
8 on an interim basis on July 15, 2013 ("**Interim Hearing**"); and an  
9 Interim Order (A) Authorizing Debtor to Obtain Postpetition  
10 Financing; (B) Granting Superpriority Expense Claims and Priming  
11 Liens; and (C) Granting Other Relief Under 11 U.S.C. §§ 105, 361,  
12 362, 363, 364 and 507(B), F.R.B.P. 2002 and 4001; and LBRS 2002-1  
13 AND 4001-2) having been entered on July 18, 2013 ("**Interim**  
14 **Order**");

15 Upon the record made by Debtors at the Interim Hearing, the  
16 record in these Cases and the Declaration of Mark A. Fox, dated  
17 July 11, 2013, in support of First Day Pleadings, the Declaration  
18 of Robert D. Katz filed in support of entry of this Final Order  
19 on August 12, 2013, the Supplemental Memorandum of Points and  
20 Authorities in Support of Final Order and the Pre-Petition Lender  
21 having consented to the use of its cash collateral from and after  
22 the Petition Date through the entry of the Interim Order and  
23 thereafter and it appearing that the Pre-Petition Lender consents  
24 to the approval of this Final DIP Order, and that interests of  
25 all other holders of liens on the Pre-Petition Collateral are  
26 also adequately protected;

27 The Debtor having filed or otherwise presenting to the Court  
28 a proposed form of Final DIP Order together with its First

1 Amended DIP Term Sheet and Budget;

2 A final hearing (the "**Final Hearing**") having been held and  
3 continued from time to time and a final hearing having been held  
4 on August 15, 2013 at 10:00 a.m. to consider final approval of  
5 the DIP Documents, entry of a Final DIP Order approving the DIP  
6 Documents and authorizing the borrowings under the DIP Documents  
7 on a final basis, and approving the priming by the DIP Lender of  
8 any junior liens existing as of the Petition Date, as set forth  
9 in the Motion and the DIP Documents, and upon the record of the  
10 Final Hearing and after due deliberation and consideration and  
11 sufficient cause appearing therefor:

12 IT IS FOUND, DETERMINED, ORDERED AND ADJUDGED, that:

13 1. *Disposition.* The Motion is granted on a final basis on  
14 the terms set forth in this Final DIP Order. Any objections to  
15 the relief sought in the Motion or this Final DIP Order that have  
16 not been previously resolved or withdrawn, and all reservations  
17 of rights contained therein, are overruled on the merits. This  
18 Final DIP Order shall be valid, binding and enforceable on all  
19 parties in interest and fully effective *nunc pro tunc* to the  
20 Petition Date.

21 2. *Jurisdiction and Venue.* This Court has jurisdiction  
22 over the Cases and the Motion as a core proceeding and over the  
23 parties and property affected hereby under 28 U.S.C. §§ 157(b)  
24 and 1334. Venue is proper before this Court under 28 U.S.C. §§  
25 1408 and 1409. No request has been made for the appointment of a  
26 trustee or examiner.

27 3. *Notice.* The notice given by Debtors of the Motion, the  
28 relief requested therein, and the Final Hearing pursuant to



1 Bankruptcy Rules 2002, 4001(b) and (c) and Local Bankruptcy Rules  
2 4001-2, 2002-2(a)(4) and 9013 constitutes appropriate, due and  
3 sufficient notice thereof and complies with Bankruptcy Rules  
4 2002, 4001(b) and (c) and Local Bankruptcy Rules 4001-2, 2002-  
5 2(a)(4) and 9013, and was specifically as proscribed and approved  
6 in the Interim Order as adequate and appropriate.

7 4. *Findings Regarding the DIP Financing.*

8 a. The DIP Term Sheet and the DIP Documents have been  
9 negotiated in good faith and at arm's length between all parties  
10 thereto, all of which were or have been represented by  
11 experienced counsel, are fair and reasonable under the  
12 circumstances, are for reasonably equivalent value and fair  
13 consideration, are enforceable in accordance with their terms,  
14 and have been and shall be deemed to have been entered into and  
15 extended in good faith, as that term is used in Section 364(e) of  
16 the Bankruptcy Code.

17 b. Debtors do not have available sources of working  
18 capital and financing, including Cash Collateral, to carry on the  
19 operation of their business without obtaining the DIP Financing.  
20 Debtors need funding under the DIP Financing as authorized  
21 herein, subject to the limitations set forth in the DIP Budget  
22 (as defined below), in an amount not to exceed \$2,500,000 under  
23 the terms of the DIP Documents (including all Interim Advances  
24 made in reliance on the interim bench order at the First Day  
25 Hearing and under the Interim DIP Order from the Petition Date)  
26 to provide working capital for Debtors until the Maturity Date,  
27 to finance, among other things, the orderly continuation of the  
28 operation of their businesses; (ii) to maintain business

1 relationships with vendors, suppliers and customers; (iii) to  
2 finance payroll and related taxes; (iv) to make capital  
3 expenditures; (v) to satisfy other working capital and  
4 operational needs; (vi) to pay the Carve Out (as defined below);  
5 (vii) to pay such items as are set forth by line item in the DIP  
6 Budget; and (viii) for other lawful purposes in the ordinary  
7 course of Debtors' business not prohibited by the DIP Documents  
8 or this Final DIP Order ("**Permissible Uses**"). The access of  
9 Debtors to sufficient working capital and liquidity through  
10 borrowings under the DIP Facility is vital to the preservation  
11 and maintenance of the going concern values of Debtors and to a  
12 successful resolution by Debtors of the Cases.

13 c. Debtors are unable to obtain financing on more  
14 favorable terms from sources other than the DIP Lenders under the  
15 DIP Documents and are unable to obtain adequate unsecured credit  
16 allowable under sections 364(c)(1) or 503(b)(1) of the Bankruptcy  
17 Code as an administrative expense. Debtors are also unable to  
18 obtain secured credit from sources other than the DIP Lenders  
19 that would be allowable under sections 364(c)(2), 364(c)(3) and  
20 364(d)(1) of the Bankruptcy Code for the purposes set forth in  
21 the DIP Documents and Superpriority Claims as defined and set  
22 forth herein. The terms of the DIP Term Sheet are fair and  
23 commercially reasonable.

24 d. The DIP Term Sheet provides that interest on the  
25 outstanding principal balance of DIP Advances, including the  
26 Interim Advances, will accrue at the rate of 10% per annum and  
27 that the Debtors' obligations to pay and reimburse the DIP Agent,  
28 DIP Lenders and Pre-Petition Lender for their fees and expenses

1 incurred will accrue, all of which shall become due and payable  
2 on the Maturity Date. As a result, the Debtors' requirements for  
3 borrowings under the DIP Documents will be substantially less  
4 than if the Debtors were required to pay interest and pay and  
5 reimburse the DIP Agent, DIP Lenders and Pre-Petition Lender  
6 current for their fees and expenses. Accordingly, the terms of  
7 the DIP Term Sheet, the DIP Documents and this Final DIP Order  
8 are fair and commercially reasonable, reflect Debtors' prudent  
9 exercise of business judgment consistent with their fiduciary  
10 duties and constitute reasonably equivalent value and fair  
11 consideration.

12 e. The DIP Term Sheet, the DIP Documents and the  
13 terms of the DIP Facility have been negotiated in good faith and  
14 at arm's length among Debtors and Meserole, in its capacity as  
15 Pre-Petition Lender, DIP Agent and DIP Lender, and all of  
16 Debtors' obligations and indebtedness arising under, in respect  
17 of or in connection with the DIP Facility, the DIP Term Sheet and  
18 the Ancillary DIP Agreements, including without limitation, any  
19 and all amounts due, whether now existing or hereafter arising,  
20 under DIP Term Sheet or any DIP Documents, including any and all  
21 principal, interest, penalties, fees, charges, premiums,  
22 indemnities (if any under applicable law) and costs owed or owing  
23 to the DIP Agent or any DIP Lender by the Debtors, in each  
24 instance, whether absolute or contingent, direct or indirect,  
25 secured or unsecured, due or not due, primary or secondary, joint  
26 or several, arising by operation of law or otherwise, and all  
27 interest and other charges thereon, including post-petition  
28 interest (collectively, the "**DIP Obligations**"), shall be deemed

1 to have been extended by the DIP Agent and DIP Lenders and their  
2 respective affiliates in good faith, as that term is used in  
3 section 364(e) of the Bankruptcy Code and in express reliance  
4 upon the protections offered by section 364(e) of the Bankruptcy  
5 Code, and the DIP Obligations, the DIP Lien (as defined below)  
6 and the Superpriority Claims (as defined below) shall be entitled  
7 to the full protection of section 364(e) of the Bankruptcy Code  
8 in the event that this Final DIP Order or any provision hereof is  
9 vacated, reversed or modified, on appeal or otherwise.

10 f. Debtors have requested immediate entry of this  
11 Final DIP Order under Bankruptcy Rules 4001(b)(2) and 4001(c)(2)  
12 and Local Rule 4001-2 and waiver of any applicable stay under  
13 Bankruptcy Rule 6004(h). Absent granting the relief sought by  
14 this Final DIP Order, Debtors' estates will be immediately and  
15 irreparably harmed. Consummation of the financing under this  
16 Final DIP Order and the DIP Documents is, therefore, in the best  
17 interest of Debtors' estates consistent with their fiduciary  
18 duties.

19 5. *Authorization of the DIP Financing Under the DIP*  
20 *Documents.*

21 a. *Interim DIP Advances.* All Interim Advances made by  
22 DIP Lender since the commencement of the Debtors' Cases shall be  
23 deemed governed by and subject to the provisions of, the DIP  
24 Documents. Debtors were authorized to borrow the Interim DIP  
25 Advances.

26 b. *Additional Advances Under the DIP Facility Other*  
27 *Than the Interim DIP Advances Conditioned on Issuance of a Final*  
28 *DIP Order.* Debtors shall not have authority to borrow, and the

1 DIP Lenders shall not be obligated to lend, any advances pursuant  
2 to the DIP Documents other than the Interim DIP Advances until  
3 the Court has entered the Final DIP Order or otherwise approved  
4 the terms of the DIP Financing in form acceptable to DIP Agent,  
5 in its sole and absolute discretion,<sup>2</sup> and all of the conditions  
6 for such lending set forth in the DIP Documents have been  
7 satisfied or waived by the DIP Agent. Upon entry of the Final DIP  
8 Order, Debtors shall be authorized to borrow the full amount of  
9 the DIP Loan pursuant to the DIP Documents and all limitations  
10 set forth therein and all DIP Advances shall be deemed to be  
11 subject to the terms of this Final DIP Order.

12 c. Debtors are obligated to repay the DIP Obligations  
13 under the DIP Documents in accordance with the terms of this  
14 Final DIP Order and the DIP Term Sheet. The proceeds of the DIP  
15 Advances shall be used for the purposes, and subject to the terms  
16 and conditions, set forth herein, in the Budget and in the DIP  
17 Documents.

18 6. *Mandatory Prepayments.* Unless otherwise agreed by DIP  
19 Agent in its sole and absolute discretion, and except as provided  
20 below, the DIP Loan shall be mandatorily prepaid and the maximum  
21 amount of the DIP Loan shall be permanently reduced by net  
22 proceeds received from all dispositions of DIP Collateral outside  
23 the ordinary course of business, including all proceeds from  
24 sales of equipment, fixed assets, proceeds of other sales of DIP  
25 Collateral (but excluding, for the purpose of clarity, Debtors'

26 \_\_\_\_\_  
27 <sup>2</sup> The phrases "consent of DIP Agent", "agreed by DIP Agent in its sole and  
28 absolute discretion" and similar phrases herein shall be interpreted to mean  
"agreed by DIP Agent and DIP Lenders in their respective sole and absolute  
discretion".

1 collection of their accounts receivable in the ordinary course of  
2 business and inventory sales), all insurance proceeds from any  
3 casualty to DIP Collateral and all proceeds of any condemnation  
4 award in respect of, any DIP Collateral (but excluding insurance  
5 or condemnation award proceeds to the extent reasonably required  
6 to replace or repair facilities or equipment that are necessary  
7 for Debtors' business operations) ("**Collateral Disposition**  
8 **Proceeds**"). All Collateral Disposition Proceeds shall be  
9 promptly paid to the DIP Agent to reduce the DIP Obligations.

10 7. *Maturity Date.* Subject to compliance with the terms and  
11 conditions of the DIP Documents and this Final DIP Order, Debtors  
12 are authorized, during the period from the date of entry of this  
13 Final DIP Order through and including the Maturity Date (defined  
14 below) to use Cash Collateral and obtain the DIP Advances. The  
15 term "Maturity Date" means the earliest of (a) ninety (90) days  
16 from the Petition Date; (b) the effective date of a plan of  
17 reorganization; (c) the consummation of a sale of all or  
18 substantially all of the assets of the Debtors under section 363  
19 of the Bankruptcy Code ("**Sale**" or "**Sale Transaction**"); (d)  
20 delivery of the Carve-Out Event Notice; (e) the entry of an order  
21 by the Court approving an alternative DIP financing; and (f) such  
22 later date as the DIP Agent and DIP Lenders in their sole  
23 discretion may agree to in writing with the Borrower. If the DIP  
24 Agent and Debtors consent to an extension of the Maturity Date,  
25 they shall notify the United States Trustee and the Committee, if  
26 any, and simultaneously file with the Court a notice of such  
27 agreed upon extension and the terms and conditions thereof.

28

1           8.   *Requests for DIP Advances.* Subject to the limitations  
2 of this Final DIP Order and the DIP Documents, including the  
3 limitation to Permissible Uses so long as the Maturity Date has  
4 not occurred and no Event of Default has occurred and is  
5 continuing, Debtors may request DIP Advances by delivering to the  
6 DIP Agent an Interim DIP Advance Request. DIP Advances may be  
7 requested on not less than two (2) Business Days' advance notice  
8 to the DIP Agent and not more frequently than once per week.

9           9.   *Budget.* Debtors will only use Cash Collateral and the  
10 proceeds of the DIP Advances for Permissible Uses, including,  
11 subject to the Variances (as defined below), (i) the costs and  
12 expenses associated with the operation of Debtors' business and  
13 the conduct of the Cases in the amounts and categories of  
14 Debtors' budget, delivered to and agreed by the DIP Agent prior  
15 to entry of this Final DIP Order in the form attached hereto as  
16 Exhibit "2" and which is hereby approved (the "**Budget**"),<sup>3</sup> setting  
17 forth by line item net cash flow (including cash receipts and  
18 cash disbursements) projected by Debtors on a weekly basis for  
19 the time period from the Petition Date for a period of thirteen  
20 (13) weeks, or such other period approved by the DIP Agent.

21           10. *Reporting Requirements.* Debtors will provide the DIP  
22 Agent, DIP Lenders and Committee, if any, with any written  
23 financial information or reporting on the same terms as provided  
24 in the DIP Documents. In addition, from and after entry of this  
25

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26           <sup>3</sup> For any "Contingency" or similar line item notation contained in the Budget,  
27 each expenditure within the Contingency must be submitted to the DIP Agent for  
28 DIP Agent's prior approval, in its sole and absolute discretion, before DIP  
Agent has any obligation to fund and Debtor has authority to make such  
disbursement.

1 Final DIP Order, Debtors shall, except as specifically provided  
2 below, use their best efforts to deliver to the DIP Agent, DIP  
3 Lenders and the Committee the following:

4 a. On each Wednesday, Debtors shall report open order  
5 and inventory sale prospects.

6 b. On each Wednesday, Debtors shall deliver a rolling  
7 13 week (or other period approved by DIP Agent) forecast by line  
8 item of net cash flow (including cash receipts and cash  
9 disbursements) (each a "**Thirteen Week Forecast**"), which Thirteen  
10 Week Forecast shall be subject to the approval and consent of the  
11 DIP Agent in its sole and absolute discretion, and when so  
12 approved, each Thirteen Week Forecast shall constitute an  
13 amendment of the Budget or, as the case may be, the prior  
14 Thirteen Week Forecast, and as so amended the applicable Budget  
15 or Thirteen Week Forecast shall constitute the then approved and  
16 applicable Budget.

17 c. On each Wednesday, beginning with Wednesday of the  
18 second week following entry of this Final DIP Order, Debtors  
19 shall deliver a report, for the week ending on the preceding  
20 Wednesday, of actual net cash flow (including cash receipts and  
21 cash disbursements) and expenditures (accounts payable) in each  
22 case comparing Debtors' actual performance to the Budget, in a  
23 form reasonably satisfactory to the DIP Agent, and a  
24 certification from Debtors' CEO, CFO or CRO certifying that the  
25 reports fairly present the financial condition and results of  
26 operations of Debtors for such period (each an "**Actual Cash Flows**  
27 **Report**"). The failure of the Debtors to timely deliver the  
28 Actual Cash Flow Report for any two successive weeks shall be



1 deemed not to satisfy Debtors' best efforts obligations under  
2 this paragraph 10.

3 d. On each Wednesday, Debtors shall deliver to the  
4 DIP Agent, DIP Lenders and Committee a reasonably detailed  
5 explanation for any Variances in the Actual Cash Flows Report  
6 from the Budget, in a form reasonably satisfactory to the DIP  
7 Agent (each, a "**Variance Report**"). The failure of the Debtors to  
8 timely deliver the Variance Report for any two successive weeks  
9 shall be deemed not to satisfy Debtors' best efforts obligations  
10 under this paragraph 10.

11 e. Together with any DIP Advance request, Debtors  
12 shall deliver to the DIP Agent, DIP Lenders and Committee a  
13 report, as of the close of the immediately preceding Business  
14 Day, stating Debtors' actual cash balances, in form and in detail  
15 reasonably satisfactory to the DIP Agent.

16 f. As and when reported to the United States Trustee,  
17 all interim reports and operating statements. On each Wednesday,  
18 Debtors shall deliver to DIP Agent a status report detailing  
19 Debtors' sale marketing efforts and upon receipt, copies of all  
20 expressions of interest, offers, letters of intent, and proposed  
21 asset purchase agreement.

22 g. The DIP Agent may, through its employees or  
23 through such expert consultants, counsel, and financial advisors,  
24 have access to the Debtors' premises and non-attorney-client  
25 privileged, business records as provided in the DIP Documents.  
26 The Debtors will cooperate, consult with and provide the DIP  
27 Agent's employees, counsel, consultants and advisors all non-  
28 attorney-client privileged information and reports as provided in

1 the DIP Documents. (Items (a) through (g), individually and  
2 collectively, the "**Reporting Requirements**").

3 11. *DIP Loan Covenants.* Debtors shall observe all covenants  
4 in the DIP Documents and in this Final DIP Order at all times  
5 prior to the indefeasible payment in full of all outstanding DIP  
6 Obligations.

7 12. *Implementation, Supplementation and Modification of DIP*  
8 *Documents.* In furtherance of this Final DIP Order and without  
9 further approval of this Court:

10 a. Debtors are authorized and directed to perform all  
11 acts, to make, execute and deliver all instruments and documents  
12 (including, without limitation, the execution or recordation of  
13 security agreements, pledge agreements, fixture filings, control  
14 agreements and financing statements), and to pay all fees that  
15 may be reasonably required or necessary for Debtors' performance  
16 of its DIP Obligations and this Final DIP Order, including,  
17 without limitation, the fees referred to in the DIP Documents and  
18 reasonable costs and expenses as may be due from time to time,  
19 including, without limitation, fees and expenses of the  
20 professionals retained by DIP Agent and DIP Lenders when due as  
21 provided for herein and in the DIP Documents;

22 b. The DIP Agent, DIP Lenders and Debtors may agree  
23 in writing executed by them to (x) the execution, delivery and  
24 performance of one or more waivers, consents or forbearances  
25 under the DIP Documents (it being understood that no further  
26 approval of the Court shall be required for waivers, consents or  
27 forbearances under the DIP Documents, or any amendment, waiver,  
28 consent or forbearance fees paid in connection therewith); (y) to

1 make any non-material amendments or modifications to the DIP  
2 Documents; and (z) to make any Material Modification or Amendment  
3 (as defined below) to the DIP Documents; *provided* that notice of  
4 any Material Modification or Amendment to the DIP Documents shall  
5 be filed with the Bankruptcy Court and served by Debtors on the  
6 Committee's counsel, if any, and the United States Trustee, whom  
7 shall each have five (5) Business Days from the date of such  
8 filing within which to object in writing to such proposed  
9 Material Modification or Amendment; *provided further* that if the  
10 Committee or the United States Trustee timely objects to any such  
11 Material Modification or Amendment to the DIP Documents, then  
12 such Material Modification or Amendment shall only be permitted  
13 pursuant to an order of this Court after notice and a hearing.  
14 For purposes of this paragraph, a "**Material Modification or**  
15 **Amendment of the DIP Documents**" shall mean any modification or  
16 amendment that operates to (1) shorten the maturity of the  
17 extensions of credit under the DIP Facility, (2) increase the  
18 aggregate amount of any of the commitments thereunder, (3)  
19 increase the rate of interest or impose any additional fees or  
20 charges payable thereunder or (4) otherwise modify the DIP  
21 Documents in a manner materially less favorable to Debtors and  
22 their estates, but shall exclude any forbearance or waiver which  
23 may occur after a notice of an Event of Default;

24 c. Debtors are authorized and directed to perform all  
25 other acts required under or in connection with the DIP  
26 Documents.

1           13. *Interest, Fees and Expenses.* Debtors shall pay the  
2 following, or such item shall accrue, all as more particularly  
3 set forth in the DIP Documents:

4           a. *Interest.* Interest on the DIP Obligations shall  
5 accrue at the rate equal to 10% per annum, in each case, payable  
6 upon the Maturity Date or thereafter on demand. On the  
7 occurrence and during the continuation of an Event of Default,  
8 interest will be payable on all DIP Obligations at a rate that is  
9 3% above the otherwise applicable rate, to the extent permitted  
10 by applicable law. Interest calculations will be based on a 360  
11 day year and actual days elapsed. None of the fees, costs and  
12 expenses payable under this paragraph shall be subject to  
13 separate or prior approval by this Court and no recipient of  
14 these payments shall be required to file a motion or interim or  
15 final fee application pursuant to the provisions of sections 327,  
16 328, 329, 330 or 331 of the Bankruptcy Code in regard thereto.

17           b. All accrued and unpaid fees and expenses incurred  
18 before or after the Petition Date which are payable on account of  
19 services rendered to Meserole, as DIP Agent or DIP Lender, or any  
20 of their respective affiliates, with regard to the negotiation,  
21 documentation and implementation of the DIP Documents or their  
22 participation in, or enforcement of rights in regard to, the DIP  
23 Facility, or pertaining to the Cases ("**DIP Agent Fees and**  
24 **Expenses**"), including the reasonable fees and disbursements of  
25 counsel, financial advisors and other consultants for the DIP  
26 Agent and DIP Lenders, or any of their respective affiliates,  
27 shall be due and payable on the Maturity Date.

1           14. *Effectiveness of DIP Documents.* Upon entry of this  
2 Final DIP Order (the "**Effective Date**") the authority and  
3 effectiveness of the DIP Documents as provided for in the Interim  
4 DIP Order shall be continued and all obligations under the  
5 Interim DIP Order or Final DIP Order, shall constitute valid and  
6 binding obligations of Debtors, enforceable against Debtors in  
7 accordance with their respective terms and the terms of this  
8 Final DIP Order for all purposes during the Cases, any  
9 subsequently converted cases of Debtors under Chapter 7 of the  
10 Bankruptcy Code or after the dismissal of the Cases. No  
11 obligation, DIP Obligation, payment, transfer or grant of  
12 security under the DIP Documents, the Interim DIP Order, or the  
13 Final DIP Order shall be stayed, restrained, voidable, avoidable  
14 or recoverable under the Bankruptcy Code or under any applicable  
15 law (including without limitation, under sections 502(d), 548 or  
16 549 of the Bankruptcy Code or under any applicable state Uniform  
17 Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or  
18 similar statute or common law), or subject to any defense,  
19 reduction, setoff, recoupment or counterclaim.

20           15. *Conditions Precedent to DIP Loan.* DIP Advances under  
21 this Final DIP Order are conditioned on the satisfaction of all  
22 of the conditions precedent described in the DIP Documents and  
23 the following:

24           a. Entry of this Final DIP Order and approval for the  
25 DIP Advances in form acceptable to the DIP Agent in its sole and  
26 absolute discretion on or before August 16, 2013, and the Final  
27 DIP Order shall be in full force and effect and shall not have  
28 been vacated, reversed, modified, amended or stayed without the

1 prior written consent of the DIP Agent.

2           b. No Event of Default will have occurred under the  
3 Interim DIP Order, Final DIP Order or the DIP Documents, and no  
4 event or condition that with notice or the lapse of time, or  
5 both, would constitute an Event of Default, has occurred and is  
6 continuing under the Interim DIP Order, Final DIP Order or the  
7 DIP Documents.

8           c. DIP Agent shall have received executed originals  
9 of the DIP Documents, as required by DIP Agent.

10           d. Control agreements executed in favor of the DIP  
11 Agent over all bank accounts, as required by DIP Agent.

12           e. Satisfactory business due diligence review by the  
13 DIP Agent and DIP Lenders of Debtors and the Budget, cash flow  
14 projections and operating plan and other relevant information.

15           f. Continued engagement at all times of Executive  
16 Sounding Board Associates Inc. as CRO, pursuant to the Debtors'  
17 pre-petition agreement therewith, subject to subsequent approval  
18 in these Cases as a post-petition professional on terms  
19 acceptable to DIP Agent in its sole discretion.

20           g. The DIP Agent shall have received and been  
21 satisfied with all orders entered by the Bankruptcy Court.

22           h. The DIP Agent shall have received such additional  
23 documents, information and materials as the DIP Agent may  
24 reasonably request.

25           16. *DIP Liens.* As security for the DIP Obligations, whether  
26 made under the Interim DIP Order or under this Final DIP Order  
27 and effective and perfected by and upon the date of entry of this  
28 Final DIP Order *nunc pro tunc* to the Petition Date and without

1 the necessity of the execution or recordation of filings by  
2 Debtors or DIP Agent, of security agreements, pledge agreements,  
3 fixture filings, control agreements, financing statements or  
4 other similar documents, or the possession or control by the DIP  
5 Agent of, or over, any DIP Collateral, the grant of the security  
6 interests and liens to the DIP Agent under the Interim DIP Order  
7 and this Final DIP Order for its own benefit and on behalf of the  
8 DIP Lenders on all tangible and intangible property of Debtors'  
9 estates, whether now existing or hereafter arising, and whether  
10 or not encumbered prior to the Petition Date, and the proceeds  
11 thereof in every form received, including, but not limited to:  
12 (i) all accounts, (ii) all inventories, (iii) all intangibles,  
13 (iv) all other assets of Debtors including but not limited to  
14 intellectual property of every nature, good will, contract  
15 rights, Commercial Tort Claims, and equipment, and (v) any and  
16 all cash of Debtors (whether maintained with the DIP Agent or  
17 otherwise), (collectively, the "**DIP Collateral**"), *provided,*  
18 *however,* that DIP Collateral shall not include Debtors' claims  
19 and causes of action under sections 502(d), 544, 545, 547, 548,  
20 549, 550 and 553 of the Bankruptcy Code and any other avoidance  
21 actions under the Bankruptcy Code (collectively, the "**Avoidance**  
22 **Actions**"); *except that* any Avoidance Actions against the DIP  
23 Agent, DIP Lenders and Pre-Petition Lender may hereafter be  
24 transferred to DIP Agent if DIP Agent becomes the Buyer at the  
25 Sale to the extent that the sale of that Avoidance Action is  
26 provided for in the Sale Approval Order, as such terms are  
27 defined in the DIP Term Sheet (all such liens and security  
28 interests granted to the DIP Agent pursuant to the Interim DIP

1 Order, this Final DIP Order and the DIP Documents, the "**DIP**  
2 **Liens**"), with the following priorities, and subject, in these  
3 Cases, to the Carve Out:

4 a. *Senior, Priming, First Priority Priming Lien on*  
5 *Substantially All Assets.* Except as provided in subparagraph (b)  
6 below, pursuant to section 364(d) of the Bankruptcy Code, DIP  
7 Agent is granted a valid, binding, continuing, enforceable,  
8 fully-perfected, senior and priming first priority senior  
9 security interest in and lien upon all DIP Collateral that is  
10 superior in priority to the liens and security interests securing  
11 the Pre-Petition Loans, but which is junior in priority to (i)  
12 liens permitted under the Pre-Petition Lender's credit agreement,  
13 which were on the Petition Date valid, unavoidable and perfected  
14 pre-petition security interests and (ii) any other liens in  
15 existence on the Petition Date which would have had priority over  
16 the liens and security interests securing the Pre-Petition Loan,  
17 if any, which shall continue to have the priority provided to  
18 them under applicable law ("**Permitted Liens**").

19 b. *Junior DIP Lien.* Pursuant to the Interim DIP Order  
20 and as confirmed and continued in this Final DIP Order, DIP Agent  
21 was granted a junior lien pursuant to Section 11 U.S.C. §  
22 364(c) (3) on all property of Debtors which was on the Petition  
23 Date subject to Permitted Liens.

24 c. For avoidance of doubt, the DIP Agent consents to  
25 a junior lien on DIP Collateral to be granted in favor of the  
26 Pre-Petition Lender and other pre-petition lenders holding  
27 secured claims entitled to adequate protection, as adequate  
28 protection replacement liens.



1           17. *Superpriority Claims.* Subject to the Carve Out and to  
2 the extent of the Limited Subordination, as defined below, and,  
3 notwithstanding anything that may be contained herein to the  
4 contrary, solely to the extent necessary to satisfy any  
5 deficiency that may remain after resort to any DIP Collateral  
6 that may be available to satisfy their DIP Obligations, pursuant  
7 to section 364(c)(1) of the Bankruptcy Code, all of the DIP  
8 Obligations shall constitute allowed senior administrative  
9 expense claims against Debtors, jointly and severally, with  
10 priority over any and all unpaid administrative expenses,  
11 diminution claims and all other claims against Debtors, now  
12 existing or hereafter arising, of any kind whatsoever (the  
13 "**Superpriority Claims**"), including, without limitation, all other  
14 unpaid administrative expenses of the kind specified in sections  
15 503(b) and 507(b) of the Bankruptcy Code, and over any and all  
16 administrative expenses or other claims arising under sections  
17 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b), 546,  
18 726, 1113 or 1114 of the Bankruptcy Code, and shall at all times  
19 be senior to the rights of Debtors, any successor trustee or any  
20 creditor, in these Cases or any subsequent proceedings under the  
21 Bankruptcy Code, whether or not such expenses or claims may  
22 become secured by a judgment lien or other non-consensual lien,  
23 levy or attachment, which allowed claims shall be payable from  
24 and have recourse to all DIP Collateral. The Superpriority  
25 Claims granted hereunder shall also have recourse to any and all  
26 proceeds or property in respect of (i) any and all proceeds of  
27 Avoidance Actions (the "**Avoidance Action Proceeds**") whether or  
28 not such proceeds or property is recovered from a judgment,

1 settlement or otherwise, and in (ii) the Debtors' rights, choses  
2 in action, or claims of any kind whatsoever, choate or inchoate,  
3 present or residual, which for any reason cannot be made subject  
4 to the DIP Lien ("**Unencumbered Assets**"). Prior to payment in full  
5 of the DIP Obligations, Debtors agree that they will not sell,  
6 pledge, hypothecate or otherwise encumber any Avoidance Action  
7 Proceeds or Unencumbered Assets. Notwithstanding anything to the  
8 contrary stated in this Paragraph 17 including the limitations on  
9 transfer, sale and hypothecation contained in the preceding  
10 sentence, or otherwise in this Final DIP Order, the Superpriority  
11 Claims shall be subordinate to the following limited extent of  
12 claims asserted against the Debtor: (i) administrative expense  
13 claims for allowed professional fees to STG and other  
14 professionals in excess of Permitted Professional Fees provided  
15 for in the Carve Out; (ii) pre-petition wage, severance, vacation  
16 and similar claims but solely to the extent allowed pursuant to  
17 sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code; (iii)  
18 pre-petition tax claims but solely to the extent allowed pursuant  
19 to section 507(a)(8) of the Bankruptcy Code; and (iv) claims of  
20 junior secured creditors to the extent that the Court has entered  
21 the following orders in favor of such creditors, each after  
22 notice and to the Debtors, the DIP Agent, the DIP Lenders and the  
23 Committee and a hearing: (x) in the first instance, the creditor  
24 has requested and the Court has granted a replacement lien on DIP  
25 Collateral as adequate protection to protect such creditor's  
26 interest, if any, in property of the estates; and (y) in the  
27 second instance, the creditor has requested and been granted a  
28 superpriority claim under section 507(b) of the Bankruptcy Code

1 by establishing that the adequate protection lien ordered in  
2 clause (x) failed to protect the junior secured creditor from  
3 diminution in value of such creditor's interest in property of  
4 the estate. All claims in subparagraphs 17(i) through 17 (iv)  
5 shall be paid prior to payment of the Superpriority Claims  
6 (collectively the "**Limited Subordination**");

7 18. Meserole, LLC, in its capacity as the Pre-Petition  
8 Lender, and Colorep, as borrower and its wholly-owned  
9 subsidiaries, as guarantors, are parties to that certain Amended  
10 and Restated Loan and Security Agreement dated as of August, 2011  
11 (as the same may have been amended, modified or restated from  
12 time to time, the "**Pre-Petition Credit Agreement**") pursuant to  
13 which the Pre-Petition Lender agreed to lend on a revolving basis  
14 up to the principal sum of \$25 million under the terms and  
15 conditions set forth therein. As of the Petition Date, Pre-  
16 Petition Lender asserts that Colorep was indebted to it in an  
17 amount not less than \$19 million. The Pre-Petition Lender  
18 asserts valid, enforceable, unavoidable, perfected, first  
19 priority liens on and security interests in substantially all  
20 assets of Colorep, now owned and after acquired, and the proceeds  
21 thereof, as further detailed in the Pre-Petition Credit Agreement  
22 ("**Pre-Petition Liens**" and "**Pre-Petition Collateral**", as  
23 applicable). The cash proceeds of the Pre-Petition Collateral  
24 constitute cash collateral, as defined by section 363(a) of the  
25 Bankruptcy Code ("**Cash Collateral**"), in which the Pre-Petition  
26 Lender asserts an interest. Any challenge to the perfection of  
27 the Pre-Petition Liens on the Pre-Petition Collateral, whether by  
28 complaint, motion or other action, and whether by the Debtor, any

Committee or assignee, shall be commenced not later than 8:00 a.m. on the date of the Auction, as Auction is defined in the DIP Term Sheet, or all such challenges shall be deemed waived and the Pre-Petition Liens shall be deemed perfected.

19. The Pre-Petition Lender has consented to the Debtors' use of Cash Collateral under the terms and conditions set forth in the Interim DIP Order and this Final DIP Order prior to the Maturity Date and subject to the Budget, and in consideration for the adequate protection granted and provided by the Debtors, as follows:

(i) The Pre-Petition Lender is hereby granted a replacement lien ("**Adequate Protection Lien**") on the DIP Collateral, to the extent of any diminution of value of the Pre-Petition Lender's interest in the Pre-Petition Collateral resulting from Debtors' use of Cash Collateral or the imposition of the stay, which Adequate Protection Lien shall have priority junior to the Carve Out, Permitted Liens, and DIP Liens;

(ii) The Pre-Petition Lender is hereby granted a super-priority administrative claim ("**Adequate Protection Claim**") to the extent of any diminution in value of the Pre-Petition Lender's interest in the Pre-Petition Collateral resulting from the priming of the Pre-Petition Liens by the DIP Liens, the Debtors' use of Cash Collateral or the imposition of the stay, which Adequate Protection Claim shall have priority over all other administrative claims, except it shall be subject to the Carve Out, the Super-Priority Claim granted to the DIP Agent, and the Limited Subordination granted in respect of DIP Agent's Superpriority Claims;

(iii) The Debtors shall use their best efforts to provide to the Pre-Petition Agent each report required to be provided to the DIP Agent under the DIP Documents and this Final DIP Order. For such period as Meserole continues as both DIP Agent and Pre-Petition Agent, this condition shall be satisfied with delivery to Meserole of a single set of reports;

(iv) Each event giving rise to the Maturity Date shall constitute a terminating event with respect to the Debtors' use of Cash Collateral; and

(v) Each event or omission giving rise to an Event of Default shall constitute an Event of Default with respect to the Debtors' use of Cash Collateral and the Pre-Petition Lender shall be afforded the same rights and remedies granted to the DIP Agent; provided, however, that the Pre-Petition Lender shall first provide 10 Business Days' advance notice to the DIP Agent before commencing to exercise any right or remedy upon an Event of Default and only in the event the DIP Agent does not commence to take any action may the Pre-Petition Agent commence to exercise any right or remedy.

20. *Carve Out*. For purposes hereof, "**Carve Out**" shall mean the liens on and security interests in the Pre-Petition Collateral and DIP Collateral and the superiority administrative expense claims shall be subordinate to the "Carve Out" or "Carve-Out Expenses":

a. statutory fees payable to the United States Trustee pursuant to 28 U.S.C. § 1930(a)(6);

1           b.     fees payable to the clerk of the Court or any  
2 agent thereof;

3           c.     an amount equal to the sum of the expenses  
4 incurred or accrued in accordance with the Budget prior to the  
5 earlier to occur of (1) the Maturity Date; and (2) the occurrence  
6 of a Carve-Out Event, that remain unpaid as of the Maturity Date  
7 or the Carve-Out Event, as applicable;

8           d.     an amount equal to the lesser of;

9                 1. the reasonable and Budgeted professional fees and  
10                 expenses actually incurred in the Chapter 11  
11                 Cases by any professionals retained under section  
12                 327, 363, or 1103(a) of the Bankruptcy Code (the  
13                 **"Permitted Professional Fees"**) prior to the  
14                 occurrence of a Carve-Out Event, whenever allowed  
15                 by the Court, and

16                 2. \$290,000, for payment of Permitted Professional  
17                 Fees incurred prior to the occurrence of a Carve-  
18                 Out Event, to the extent allowed by this Court,  
19                 of which:

20                     a. Stutman Treister & Glatt, P.C. (**"STG"**), the  
21                     Debtors' bankruptcy counsel shall receive:

22                         i. \$95,000 to be funded as a DIP Advance by  
23                         DIP Lenders and disbursed by Debtors to  
24                         STG within 5 days of entry of this  
25                         Final DIP Order;

26                         ii. \$95,000 to be advanced and disbursed to  
27                         STG during the week of September 2,  
28                         2013; and

1                   iii. \$85,000 to be advanced and disbursed to  
2                   STG at the closing of the Sale  
3                   Transaction, all of the foregoing to be  
4                   applied to STG's post petition fees and  
5                   expenses in accordance with applicable  
6                   rules governing payment of professional  
7                   fees;

8                   iv. In addition to the foregoing amounts,  
9                   \$125,000 was disbursed directly to STG,  
10                  upon entry of the Interim DIP Order and  
11                  shall not be credited against the  
12                  \$290,000, but solely against the  
13                  \$125,000 budgeted in the Interim Order.

14                b. Stubbs, Alderton & Markiles, LLP "**SAA**"),  
15                Debtors' [proposed] special corporate  
16                counsel, shall receive not more than \$15,000  
17                to be funded as a DIP Advance and disbursed  
18                by Debtor to SAA at the time an order is  
19                entered approving SAA's employment, and to  
20                be held as a retainer, together with any  
21                pre-petition retainer paid to SAA, and  
22                applied to SAA post-petition fees and  
23                expenses in accordance with applicable rules  
24                governing payment of professional fees.

25                3. Hilco Global, Hilco Streambank or an affiliate of  
26                either shall be paid \$60,000 in fees and not more  
27                than \$5,000 in out of pocket expenses in  
28

1 connection with their work on the Sale, to be  
2 advanced and disbursed as DIP Advances payable  
3 a. \$30,000 upon entry of this Final DIP Order  
4 b. \$30,000 as of the Sale Date; and  
5 c. \$5,000 in reimbursements of out of pocket  
6 expenses as incurred and on demand in the  
7 discretion of the CRO.  
8 e. After the occurrence of a Carve-Out Event, an  
9 amount equal to the lesser of:  
10 1. the Permitted Professional Fees incurred  
11 following the occurrence of a Carve-Out Event,  
12 whenever allowed by the Court; and  
13 2. \$25,000, for payment of Permitted Professional  
14 Fees incurred after the occurrence of a Carve-Out  
15 Event, to the extent allowed by this Court.  
16 f. Any payment of Permitted Professional Fees, other  
17 than the application of pre-petition retainers held by any such  
18 professional, shall reduce the DIP Agent's and DIP Lenders' DIP  
19 Facility commitment and the Carve-Out Expenses dollar for dollar.  
20 Upon the first day on which the DIP Agent is entitled to exercise  
21 remedies under the Interim DIP Order and Final DIP Order (the  
22 "**Carve-Out Event**") and provides written notice thereof to  
23 Borrower (the "**Carve-Out Event Notice**"), the right of the  
24 Borrower to pay Permitted Professional Fees, other than pursuant  
25 to clause (d) above outside the Carve-Out shall terminate. For  
26 the purpose of clarity, the Carve Out shall be reduced dollar for  
27 dollar by amounts paid to Professional Persons or on account of  
28 Court and UST Fees by Debtors. The Carve Out shall not be



1 reduced by retainers received by Professional Persons prior to  
2 the Petition Date.

3       21. *Limitation on Charging Expenses Against Pre-Petition*  
4 *Collateral and DIP Collateral.* Effective upon the entry of this  
5 Final DIP Order, except to the extent of the Carve Out, no  
6 expenses of administration of these Cases or any future  
7 proceeding that may result from these Cases, including  
8 liquidation in bankruptcy or other proceedings under the  
9 Bankruptcy Code, may be charged against or recovered from the  
10 Pre-Petition Lender, Pre-Petition Collateral, DIP Agent, DIP  
11 Lenders or DIP Collateral under sections 105, 506(c) and 552(b)  
12 of the Bankruptcy Code or any similar principle of law, without  
13 the prior written consent respectively of the Pre-Petition  
14 Lender, the DIP Agent and DIP Lenders, and no consent of the Pre-  
15 Petition Lender, the DIP Agent or any DIP Lender may be implied  
16 from any other action, inaction, or acquiescence by them,  
17 *provided however*, that DIP Agent shall be deemed to have  
18 consented to the payment in the ordinary course of business of  
19 operating expenses, Permitted Professional Fees and other costs  
20 as provided for in the approved Budget; and *provided further*  
21 *however*, that no expenses of administration of these Cases or any  
22 future proceeding that may result from these Cases, including  
23 liquidation in bankruptcy or other proceedings under the  
24 Bankruptcy Code, incurred or accrued during the period under the  
25 Interim DIP Order may be charged against or recovered from the  
26 Pre-Petition Lender, Pre-Petition Collateral, DIP Agent, DIP  
27 Lenders or DIP Collateral under sections 105, 506(c) and 552(b)  
28 of the Bankruptcy Code or any similar principle of law, without

1 the prior written consent respectively of the Pre-Petition  
2 Lender, the DIP Agent and DIP Lenders in the event the Budget  
3 proves inadequate. Except on the terms as provided in this Final  
4 DIP Order, Debtors are enjoined and prohibited from (i) using the  
5 Cash Collateral or DIP Advances; (ii) using the DIP Collateral;  
6 (iii) applying to any court for an order authorizing the use of  
7 the Cash Collateral or DIP Collateral or Unencumbered Assets as  
8 collateral for debtors in possession financing other than the DIP  
9 Facility under the DIP Documents. Notwithstanding the foregoing,  
10 the Carve-Out provisions and the foregoing waivers will not  
11 benefit and are not binding on any chapter 7 trustee appointed in  
12 any Case upon the conversion of such Case to a case proceeding  
13 under chapter 7 of the Bankruptcy Code with respect to DIP  
14 Collateral or Pre-Petition Collateral that is property of such  
15 chapter 7 estate as of the date of such conversion.

16 22. *Perfection of DIP Liens.*

17 a. The DIP Liens granted under the Interim DIP Order  
18 constitute valid and duly perfected security interests and liens  
19 which shall continue perfected under this Final DIP Order, and  
20 are granted *nunc pro tunc* to the Petition Date under this Final  
21 DIP Order constitute valid and duly perfected security interests  
22 and liens and the DIP Agent is hereby not required to file or  
23 record any Notice Filings which otherwise may be required under  
24 federal or state law in any jurisdiction, or take any action,  
25 including taking possession, to validate and perfect such DIP  
26 Liens and such DIP Liens shall be deemed valid, perfected,  
27 allowed, enforceable, non-avoidable and not subject to challenge,  
28 dispute or subordination.

1           b.     The DIP Agent is hereby authorized, but not  
2 required, to file or record any one or more financing statements,  
3 trademark filings, copyright filings, patent assignments, real  
4 estate mortgages, fixture filings, deeds of trust, notices of  
5 lien or similar instruments (collectively, "**Notice Filings**") in  
6 any jurisdiction, or take possession of or control over, or take  
7 any other action in order to further validate and perfect the  
8 perfected DIP Liens granted to the DIP Agent hereunder. The  
9 failure of Debtors to execute any documentation relating to the  
10 enforceability, priority or perfection of the DIP Liens shall in  
11 no way affect the validity, perfection or priority of the DIP  
12 Liens.

13           c.     If the DIP Agent, in its sole discretion, elects  
14 to file any Notice Filings or otherwise to confirm perfection of  
15 such DIP Liens, Debtors shall cooperate with and assist in such  
16 process, the stay imposed under section 362 of the Bankruptcy  
17 Code is hereby lifted to permit the filing and recording of a  
18 certified copy of this Final DIP Order or any such Notice  
19 Filings, and all such documents shall be deemed to have been  
20 filed and recorded at the time of and on the Petition Date. Any  
21 error, omission or other defect in any such filing shall not  
22 affect the validity, enforceability, priority or perfection of  
23 any DIP Lien granted under the Interim DIP Order and this Final  
24 DIP Order.

25           d.     A certified copy of the Interim DIP Order or this  
26 Final DIP Order may, in the discretion of the DIP Agent, be filed  
27 with or recorded in filing or recording offices in addition to or  
28 in lieu of such Notice Filings, and all filing offices are hereby

1 authorized and directed to accept such certified copy of  
2 the Interim DIP Order or the Final DIP Order for filing and  
3 recording.

4 23. *Events of Default.* In addition to the Events of Default  
5 under the DIP Documents, which are incorporated herein and  
6 constitute events of default hereunder, the following shall  
7 constitute events of default (each, an "**Event of Default**") under  
8 this Final DIP Order:

9 a. If Debtors fail timely to file a motion seeking  
10 approval of the Sale Transaction and related bidding procedures,  
11 terminate the sale process or fail to meet dates in the  
12 Procedures Order.

13 b. If the Cases are dismissed or converted to Chapter  
14 7 cases; or if a Chapter 11 trustee, a responsible officer, or an  
15 examiner with enlarged powers relating to the operation of the  
16 business of Debtors (powers beyond those established in section  
17 1106(a)(3) and (4) of the Bankruptcy Code) is appointed in the  
18 Cases.

19 c. The Bankruptcy Court enters an order granting  
20 relief from the automatic stay to the holder or holders of a  
21 security interest to permit foreclosure (or the granting of a  
22 deed in lieu of foreclosure or the like) on any material assets  
23 of Debtors which have an aggregate value in excess of \$25,000.

24 d. An order is entered reversing, amending,  
25 supplementing, suspending or staying this Final DIP Order.

26 e. If Debtors create, incur or cause to exist any  
27 postpetition liens or security interests, other than those  
28 granted pursuant to the Interim DIP Order or this Final DIP Order

1 or to which the DIP Agent has not consented in writing, which  
2 exceeds \$25,000 individually or in the aggregate,

3 f. Any judgment in excess of \$25,000 as to any post-  
4 petition date obligation not covered by insurance is rendered  
5 against Debtors, the enforcement of the judgment against the  
6 Debtors' estates has not been stayed and the enforcement of the  
7 judgment could reasonably be expected to result in any impairment  
8 of the rights or interests of the DIP Agent or DIP Lenders.

9 g. Debtors (or any of their successors or assigns or  
10 other person on behalf of the entities) file a motion or  
11 application or adversary proceeding challenging the validity,  
12 enforceability, perfection or priority of any claim or lien  
13 securing or pertaining to the Pre-Petition Loan or DIP Loan.

14 h. Debtors have not consummated the Sale by September  
15 30, 2013.

16 i. A plan is confirmed in the Cases that does not  
17 provide for termination of the DIP Loan and payment in full in  
18 cash of outstanding DIP Obligations (on the effective date of a  
19 plan of reorganization or liquidation) unless DIP Agent consents  
20 to confirmation of such plan providing for an alternative  
21 treatment of the DIP Loan, or any order is entered that dismisses  
22 the Cases and which order does not provide for such termination  
23 and payment, or Debtors seek support or fail to contest the  
24 filing or confirmation of a plan or the entry of an order that  
25 does not provide for full and immediate payment and satisfaction  
26 of the DIP Obligations.

27 j. The filing of a motion, pleading, or proceeding by  
28 Debtors, or any of their affiliates, that could reasonably be

1 expected to result in any impairment of the rights or interests  
2 of the DIP Agent or DIP Lenders or a determination by a court  
3 with respect to a motion, pleading or proceeding brought by  
4 another party that results in any impairment of the rights,  
5 claims and DIP Liens relating to the DIP Loan and any DIP  
6 Obligations.

7 k. Any other superpriority administrative expense  
8 claim or lien (other than the Carve Out) which is *pari passu* with  
9 or senior to the Superpriority Claims or DIP Liens of the DIP  
10 Agent is granted in the Case, provided, however, for avoidance of  
11 doubt, payment of operating expenses in the ordinary course of  
12 business pursuant to the DIP Budget is permitted.

13 l. Failure to obtain Final DIP Order approving the  
14 DIP Facility on or before August 16, 2013.

15 m. Any failure of Debtors' actual performance to meet  
16 the requirement of the DIP Budget subject to a variance (i)  
17 during each of the first four (4) weeks of the Budget an amount  
18 of Total Operating Costs not in excess of 5% of Net Available DIP  
19 Financing (for example, for the week ending August 17, 2013,  
20 Total Operating Costs cannot exceed \$319,965) and (ii) beginning  
21 in the week ending August 31, 2013 and thereafter an amount not  
22 in excess of 10% of Net Available DIP Financing (for example, for  
23 the week ending September 7, 2013 Net Available DIP Financing  
24 cannot be less than \$975,896) ("**Variance**"), which Variance is not  
25 cured by the Debtors by the due date of the next weekly reporting  
26 provided under subparagraph 10.b. of this Final DIP Order.

27 n. Material Failure of Debtors to satisfy in a timely  
28 fashion any of the Reporting Requirements of this Final DIP

1 Order, for any two successive reporting periods, which failure is  
2 not satisfied, as to both periods, within 3 business days after  
3 the end of the second of the two successive reporting failures.

4 o. Debtors default in the due and punctual payment of  
5 any payment, fee or expense owing to DIP Agent pursuant to any of  
6 the DIP Documents, when and as the same shall become due and  
7 payable, whether at the Maturity Date, by acceleration or  
8 otherwise.

9 p. Any material provision of the DIP Documents shall  
10 at any time fail for any reason to be in full force and effect,  
11 or the DIP Facility shall terminate, be terminated or become void  
12 or unenforceable by the DIP Agent for any reason whatsoever  
13 without the prior written consent of DIP Agent.

14 q. The DIP Documents, the Interim DIP Order and this  
15 Final DIP Order shall, for any reason, cease to create valid DIP  
16 Liens on any of the DIP Collateral purported to be covered  
17 thereby or such DIP Lien shall cease to be a perfected lien  
18 having the priority provided herein pursuant to Section 364 of  
19 the Bankruptcy Code against Debtors and their estates, or  
20 Debtors, or any other party in interest purporting to act on  
21 behalf of the estates shall so allege in any pleading filed in  
22 any court.

23 r. Debtors shall default in the performance or  
24 observance of any material covenant, agreement or provision  
25 contained in any DIP Document or in any other instrument or  
26 document evidencing or creating any obligation, guaranty or lien  
27 in favor of DIP Lender in connection with or pursuant to the DIP  
28 Documents, which default could reasonably be expected to result

1 in any impairment of the rights or interests of the DIP Agent or  
2 DIP Lenders.

3 s. Any representation or warranty made or deemed made  
4 by the Debtors under or in connection with this Final DIP Order,  
5 DIP Document or any information or report delivered by the  
6 Debtors pursuant to the Interim DIP Order, this Final DIP Order  
7 or any DIP Document shall prove to have been incorrect or untrue  
8 in any material respect when made or deemed made or delivered.

9 t. The Debtors enter into any transaction or  
10 agreement that could reasonably be expected to result in a change  
11 of control that is to become effective prior to payment in full  
12 of the DIP Obligations; or a change of control shall have  
13 occurred prior to payment in full of the DIP Obligations.

14 u. Debtors are enjoined, restrained or in any way  
15 prevented by the order of any court or any Governmental Entity  
16 from conducting all or any material part of its business for more  
17 than 5 days.

18 24. *Protection of the DIP Agent's Rights.*

19 a. *Remedies on Termination Date.* Subject to the  
20 following provisions of this paragraph, upon an Event of Default  
21 and on and after the Maturity Date, the DIP Agent for itself, and  
22 for the benefit of the DIP Lenders, shall have the exclusive  
23 right to exercise all rights and remedies under the DIP Documents  
24 as provided below, including in respect of exercising all rights  
25 and remedies to dispose of the DIP Collateral, in such  
26 commercially reasonable manner, including the sale of the DIP  
27 Collateral as a going concern under the supervision of the  
28 Bankruptcy Court, as the DIP Agent may determine to effect the



1 repayment of the DIP Obligations with the proceeds of such  
2 dispositions. After the occurrence and during the continuance of  
3 an Event of Default that has not either (i) been waived by the  
4 DIP Agent or (ii) subject an order granting the DIP Agent relief  
5 from the automatic stay as set forth in subparagraph c. below,  
6 the DIP Agent may undertake the following remedies:

7           b. *Remedies Available Without Notice Or Further Court*  
8 *Approval.* On the Maturity Date, without further Order of the  
9 Court, the automatic stay of Section 362(a) of the Bankruptcy  
10 Code having been hereby lifted for such purposes (i) DIP Agent's  
11 and DIP Lenders' commitments shall automatically terminate and  
12 Debtors' right to obtain Interim DIP Advances and use Cash  
13 Collateral on the terms and conditions set forth in the DIP  
14 Documents and in this DIP Order shall terminate automatically,  
15 (ii) the unpaid balance of the DIP Obligations (and any unpaid  
16 and accrued interest, costs and fees) shall automatically be  
17 accelerated and become immediately due and payable, and (iii) the  
18 DIP Agent may instruct any depository bank holding any bank  
19 account of the Debtors that is subject to a control agreement  
20 entered into either before or after the commencement of this case  
21 in favor of DIP Agent or Meserole, as appropriate, that all funds  
22 in that account shall be frozen until DIP Agent consents to  
23 disbursement thereof; *provided, however,* that the DIP Agent shall  
24 permit disbursement of funds to cover outstanding checks issued  
25 to pay expenses incurred consistent with the Budget.

26           c. *Stipulation to Shortened Time.* Except for the  
27 actions authorized to be taken by the DIP Agent without notice or  
28 further Court order under the prior subparagraph, upon the

1 occurrence of any Event of Default under the Interim DIP Order,  
2 this Final DIP Order or under the DIP Documents, the Debtors  
3 hereby stipulate and agree that any motion for relief from stay  
4 by DIP Agent may be on not less than 7 calendar days' notice,  
5 with notice to the United States Trustee and any Committee. DIP  
6 Agent may seek relief to exercise all of its rights and remedies  
7 against the DIP Collateral by foreclosure, collection, suit,  
8 receivership or otherwise pursuant to the DIP Documents and  
9 applicable law following notice of an Event of Default. If no  
10 objection is filed by Debtors, the United States Trustee or any  
11 Committee by 3 days prior to the hearing on DIP Agent's motion  
12 for relief from stay, then such failure shall be deemed a consent  
13 by the Debtors to the relief requested and DIP Agent shall be  
14 authorized to submit a declaration of non-opposition to its  
15 Motion for Relief From Stay and request entry of an order  
16 pursuant to such motion and declaration and Debtors shall have no  
17 further remedy or recourse with regard to the DIP Collateral,  
18 including but not limited to no right to request use of Cash  
19 Collateral or DIP Collateral, and Debtors and any Committee shall  
20 not have the right to seek relief, including, without limitation,  
21 under section 105 of the Bankruptcy Code, to the extent such  
22 relief would in any way impair or restrict the rights and  
23 remedies of the DIP Agent set forth in the Interim DIP Order or  
24 the DIP Documents. The delay or failure of the DIP Agent to seek  
25 relief or otherwise exercise or enforce its rights and remedies  
26 under this Final DIP Order or the DIP Documents shall not  
27 constitute a waiver of the DIP Agent's rights or remedies.

28 d. *Limitations On Marshaling.* In no event shall the

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

3 25. *Preservation of Rights Granted Under the Interim DIP*  
4 *Order and this Final DIP Order.*

5 a. No claim or lien having a priority superior to or  
6 *pari passu* with those granted by the Interim DIP Order and this  
7 Final DIP Order to the DIP Agent in respect to the DIP Collateral  
8 shall be granted or allowed while any portion of the DIP  
9 Obligations remains outstanding. Subsequent to the Petition Date,  
10 Debtors shall not grant to any party or suffer any liens senior  
11 to the DIP Agent and DIP Liens, except with the DIP Agent's prior  
12 written consent. The DIP Liens shall not be subject or  
13 subordinate to (i) any lien or security interest that is avoided  
14 and preserved for the benefit of Debtors and their estates under  
15 section 551 of the Bankruptcy Code, (ii) any liens arising after  
16 the Petition Date including, without limitation, any liens or  
17 security interests granted in favor of any federal, state,  
18 municipal or other governmental unit, commission, board or court  
19 for any tax liability of Debtors, whether secured or unsecured,  
20 including property taxes for which liability is in rem, in  
21 personam, or both, except a tax of a kind specified in section  
22 507(a)(8) of the Bankruptcy Code, (iii) any intercompany or  
23 affiliate liens of Debtors or (iv) subordinated to or made *pari*  
24 *passu* with any other lien or security interest under sections 363  
25 or 364 of the Bankruptcy Code or otherwise.

26 b. Unless all DIP Obligations shall have been  
27 indefeasibly paid in full and all DIP Facility commitments  
28 terminated, Debtors shall not seek (i) any order modifying or

1 extending this Final DIP Order without the prior written consent  
2 of the DIP Agent, and no such consent shall be implied by any  
3 other action, inaction or acquiescence of the DIP Agent, (ii) any  
4 order modifying or extending this Final DIP Order or adversely  
5 affecting the rights, priorities and liens provided herein  
6 without the prior written consent of the DIP Agent or (iii) an  
7 order converting or dismissing the Cases. If an order dismissing  
8 the Cases under section 1112 of the Bankruptcy Code or otherwise  
9 is at any time entered, such order shall provide (in accordance  
10 with sections 105 and 349 of the Bankruptcy Code) that (x) the  
11 DIP Liens and the Superpriority Claims in favor of the DIP Agent  
12 pursuant to the Interim DIP Order shall continue in full force  
13 and effect and shall maintain their priorities as provided in the  
14 Interim DIP Order and this Final DIP Order until all DIP  
15 Obligations shall have been indefeasibly paid in cash and  
16 satisfied in full and the DIP Obligations shall have been  
17 terminated and that such Superpriority Claims and the DIP Liens  
18 remain binding on all parties in interest, and (y) this Court  
19 shall retain jurisdiction, notwithstanding such dismissal, for  
20 the purposes of enforcing the Superpriority Claims and the DIP  
21 Liens to the fullest extent authorized by statute and applicable  
22 law.

23 c. If any or all of the provisions of this Final DIP  
24 Order are hereafter reversed, modified, vacated or stayed, such  
25 reversal, modification, vacatur or stay shall not affect (i) the  
26 validity, priority or enforceability of any DIP Obligations  
27 incurred prior to the actual receipt of written notice by the DIP  
28 Agent, as applicable, of the effective date of such reversal,

1 modification, vacatur or stay or (ii) the validity or  
2 enforceability of the DIP Liens or the Superpriority Claims  
3 authorized or created hereby with respect to any DIP Obligations.  
4 Notwithstanding any such reversal, modification, vacatur or stay,  
5 any DIP Obligations incurred by Debtors to the DIP Agent prior to  
6 the actual receipt of written notice by the DIP Agent of the  
7 effective date of such reversal, modification, vacatur or stay  
8 shall be governed in all respects by the original provisions of  
9 this Final DIP Order, as applicable, and the DIP Agent shall be  
10 entitled to all the rights, remedies, privileges and benefits  
11 granted in sections 363(m) and 364(e) of the Bankruptcy Code and  
12 this Final DIP Order with respect to all DIP Obligations.

13 d. Except as expressly provided in the Interim DIP  
14 Order, this Final DIP Order or the DIP Documents, the DIP Liens,  
15 the Superpriority Claims, and the DIP Obligations, and all other  
16 rights and remedies of the DIP Agent granted by the provisions of  
17 the Interim DIP Order and this Final DIP Order shall survive, and  
18 shall not be modified, impaired or discharged by (i) the entry of  
19 an order converting the Cases to a case under chapter 7,  
20 dismissing the Cases, terminating the joint administration of the  
21 Cases or by any other act or omission or (ii) the entry of an  
22 order confirming a plan of reorganization in the Cases and,  
23 pursuant to section 1141(d)(4) of the Bankruptcy Code, Debtors  
24 having hereby waived any discharge of any remaining DIP  
25 Obligations. The terms and provisions of this Final DIP Order  
26 shall continue in these Cases, in any successor Cases if these  
27 Cases cease to be jointly administered, or in any superseding  
28 chapter 7 case under the Bankruptcy Code, and the DIP Liens, the

1 Superpriority Claims, the DIP Obligations, and all other rights  
2 and remedies of the DIP Agent granted by the provisions of this  
3 Final DIP Order shall continue in full force and effect until the  
4 DIP Obligations are indefeasibly paid in full.

5       26. *Limitation on Use of the DIP Advances.* Debtors have  
6 waived any and all claims and causes of action against the DIP  
7 Agent and DIP Lenders and their respective agents, affiliates,  
8 subsidiaries, directors, officers, representatives, attorneys or  
9 advisors, directly related to the DIP Facility and the Interim  
10 DIP Order, this Final DIP Order or the negotiation of the terms  
11 thereof. Notwithstanding anything herein or in any other order by  
12 this Court to the contrary, no borrowings under the DIP Facility  
13 or proceeds of the DIP Collateral or the Carve Out may be used  
14 for any of the following without the prior written consent of  
15 each affected party: (a) to object, contest or raise any defense  
16 to, the validity, perfection, priority, extent or enforceability  
17 of any amount due under the Interim DIP Order, Final DIP Order,  
18 the DIP Facility, or the DIP Liens or Superpriority Claims  
19 granted under the Interim DIP Order, Final DIP Order or the DIP  
20 Documents or the Pre-Petition Credit Agreement and Pre-Petition  
21 Lender, (b) to assert any claims or defenses or causes of action  
22 against the DIP Agent and DIP Lenders or their respective agents,  
23 affiliates, subsidiaries, directors, officers, representatives,  
24 attorneys or advisors, (c) to prevent, hinder or otherwise delay  
25 the DIP Agent's assertion, enforcement or realization on the DIP  
26 Collateral in accordance with the DIP Documents, the Interim DIP  
27 Order or Final DIP Order, (d) to seek or to modify any of the  
28 rights granted to the DIP Agent hereunder, under the Interim DIP

1 Order, Final DIP Order or under the DIP Documents, or (e) to pay  
2 any amount on account of any claims arising before the Petition  
3 Date unless such payments are approved by an order of this Court  
4 and consented to by the DIP Agent.

5 27. *Final DIP Order Governs.* To the fullest extent  
6 permissible under the Bankruptcy Code and existing law, the  
7 provisions of this Final DIP Order, including all findings, are  
8 binding on all parties in interest in these Cases, including the  
9 DIP Agent and the Committee, and Debtors and their respective  
10 successors and assigns (including any Chapter 7 or Chapter 11  
11 trustee subsequently appointed or elected for the bankruptcy  
12 estate of any Debtor) and inures to the benefit of the DIP Agent  
13 and DIP Lenders and Debtors and their respective successors and  
14 assigns; provided that the DIP Agent and DIP Lenders have no  
15 obligation to extend any financing to any Chapter 7 trustee or  
16 similar responsible person appointed for the bankruptcy estates  
17 of Debtors. To the extent that there is a conflict among the  
18 Motion, the DIP Documents, the Interim DIP Order and this Final  
19 DIP Order, this Final DIP Order will govern and control.

22 28. *Depository Bank Compliance.* All depository banks and  
23 blocked account banks shall comply, for the benefit of DIP Agent,  
24 with the terms and conditions of any blocked account agreement,  
25 restricted account agreements, account control agreements, DDA  
26 notifications, credit card notifications, or other similar  
27

1 documents received or furnished in connection with the DIP  
2 Documents or Pre-Petition Credit Agreement.

3 29. *No Waiver.* DIP Agent's failure to seek relief or  
4 otherwise exercise any of its rights and remedies under the DIP  
5 Documents or the Interim DIP Order or this Final DIP Order shall  
6 not constitute a waiver of any of DIP Agent's rights hereunder,  
7 thereunder, or otherwise.  
8

9 30. *No Third Party Beneficiary.* Except as provided herein,  
10 this Final DIP Order does not create any rights for the benefit  
11 of any third party, creditor, or any direct, indirect, or  
12 incidental beneficiary. The provisions of this Final DIP Order  
13 shall inure to the benefit of, and be binding upon, the Debtors,  
14 or any representative of the Debtors' estates, DIP Agent, DIP  
15 Lenders, Pre-Petition Lender, and any assignee or successor to  
16 any of the foregoing, including any trustee thereafter appointed  
17 in these Cases, and shall also be binding upon all creditors of  
18 the Debtors, the Debtors' estates, and other parties in interest.  
19

20 31. *No Control.* In determining to make any loan under DIP  
21 Facility, the DIP Documents or the Interim DIP Order or the Final  
22 DIP Order, in approving a proposed budget, or granting or  
23 withholding any consent or approval, or in exercising any rights  
24 or remedies as and when permitted pursuant to the DIP Documents  
25 or this Final DIP Order, DIP Agent and DIP Lenders shall not be  
26 deemed to be in control of the operations of the Debtors or to be  
27 acting as a "responsible person" or "owner or Operator" with  
28 respect to DIP Agent's or DIP Lenders' or Pre-Petition Lender's



1 role, if any, as a mortgagee in possession, or on account of the  
2 operation or management of the Debtors (as such terms, or any  
3 similar terms, are used in the United States Comprehensive  
4 Environmental Response, Compensation and Liability Act, 29 U.S.C.  
5 § 9601 et seq., as amended, or any similar federal or state  
6 statute).

7 32. *Headings.* Sections headings used herein are for  
8 convenience only and are not to affect the construction of or to  
9 be taken into consideration in interpreting this Final DIP Order.

10 33. *Waiver of any Applicable Stay.* Any applicable stay  
11 (including, without limitation, under Bankruptcy Rule 6004(h)) is  
12 hereby waived and shall not apply to this Final DIP Order.

13 ###

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24 Date: August 16, 2013



Sheri Bluebond  
United States Bankruptcy Judge

**EXHIBIT “2”**

Colorep & Transprint USA, Inc. Rolling Cash Flow Projection Preliminary Draft - For Discussion Purposes Only - Subject to Revision												Post Sale OldCo. Expenses
Week Ending	8/3/13	8/10/13	8/17/13	8/24/13	8/31/13	9/7/13	9/14/13	9/21/13	9/28/13	10/5/13	Total Remaining 10 Weeks	10/12/13
BEGINNING CASH BALANCE	-	-	-	-	-	-	-	-	-	-	-	-
Standard	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	155,000	1,550,000	
Standard (New Business)	-	40,000	40,000	70,000	70,000	70,000	125,000	125,000	125,000	125,000	790,000	
TW	60,000	35,000	35,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	550,000	
Release	25,000	25,000	25,000	48,000	48,000	25,000	25,000	25,000	25,000	25,000	296,000	
Digital Sampling	17,045	17,045	17,045	17,045	17,045	17,045	17,045	17,045	17,045	17,045	170,455	
Design and Engraving Fees	7,700	7,700	7,700	7,700	7,700	7,700	7,700	7,700	7,700	7,700	77,000	
Total Revenues	264,745	279,745	279,745	357,745	357,745	334,745	389,745	389,745	389,745	389,745	3,433,455	
Receipts												
Accounts Receivable (2% allowance)	74,887	222,460	259,451	274,151	274,151	350,591	350,591	328,051	381,951	381,951	2,898,231	
Pre-Petition AR	40,947	16,962	-	-	-	-	-	-	-	-	57,910	
Total Receipts	115,834	239,422	259,451	274,151	274,151	350,591	350,591	328,051	381,951	381,951	2,956,141	
DISBURSEMENTS												
Payroll/Payroll Taxes												
Salaries	9,634	9,634	9,634	9,634	9,634	9,634	9,634	9,634	9,634	9,634	96,340	9,634
Salaries - Taxes	819	819	819	819	819	819	819	819	819	819	8,190	819
Salaries - Insurance	-	-	-	7,756	-	-	-	7,756	-	3,878	19,390	
S&M	21,533	7,223	7,223	7,223	7,223	7,223	7,223	7,223	7,223	7,223	86,538	7,223
S&M - Taxes	1,830	614	614	614	614	614	614	614	614	614	7,355	614
S&M - Insurance	-	-	-	15,184	-	-	-	15,184	-	7,592	37,960	
G&A	11,508	7,981	7,981	7,981	7,981	7,981	7,981	7,981	7,981	7,981	83,341	7,981
G&A - Taxes	2,478	678	678	678	678	678	678	678	678	678	8,584	678
G&A - Insurance	-	-	-	8,116	-	-	-	8,116	-	4,058	20,290	
Hourly	43,735	43,735	43,735	43,735	43,735	43,735	43,735	43,735	43,735	43,735	437,350	43,735
Hourly - Taxes	3,872	3,872	3,872	3,872	3,872	3,872	3,872	3,872	3,872	3,872	38,720	3,872
Hourly - Insurance	-	-	-	29,876	-	-	-	29,876	-	14,938	74,690	4,142
Promotions	200	200	200	200	200	200	200	200	200	200	2,000	
Material												
Heat Transfer Paper	42,500	42,500	42,500	52,500	52,500	52,500	52,500	52,500	62,500	62,500	515,000	50,000
Ink Jet Paper	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	25,000	
Ink/Toner	39,112	39,112	39,112	50,204	50,204	50,204	50,204	50,204	50,204	50,204	468,764	
Release Ink	-	-	-	7,000	-	-	-	-	-	-	7,000	
Solvents/Resins	13,473	13,473	13,473	13,473	13,473	12,918	12,918	12,918	12,918	14,293	133,330	
Fabric	1,257	1,257	1,257	1,257	1,257	1,257	1,257	1,257	1,257	1,445	12,758	
Chemicals	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	37,500	
Cylinder Recycling and Sleeveing	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	50,000	
Cylinder Plating Related Costs (cooper, acid, nickel)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	50,000	
Packing												
Triple S Pallets	1,372	1,372	1,372	1,372	1,372	1,315	1,315	1,315	1,315	1,455	13,575	
Supply One (boxes)	5,487	5,487	5,487	5,487	5,487	5,261	5,261	5,261	5,261	5,821	54,300	
Consumable	432	432	432	432	432	432	432	432	432	496	4,384	
Outside Production	1,964	1,964	1,964	1,964	1,964	1,964	1,964	1,964	1,964	2,257	19,933	
Indirect Materials												
Grinding Stones	-	-	-	-	10,247	-	-	-	250	250	10,747	
Cooper Pellets	-	-	-	-	-	10,847	250	-	250	250	11,597	
New Equipment												
Pulse Heater (Japan) - Unit 1	-	-	-	-	-	15,000	-	-	-	3,000	18,000	
Pulse Heater (Japan) - Unit 2	-	-	17,000	-	-	-	-	-	-	-	17,000	
Maintenance and Repair												
HVAC	3,000	-	-	-	-	-	-	-	-	-	3,000	
Doctor Blade Holders	12,000	12,000	4,800	-	-	-	-	-	-	-	28,800	
Ends/Shafts Plating Line	14,500	14,500	14,500	14,500	-	-	-	-	-	-	58,000	
Floor repair and replacement	-	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	-	
Misc.	5,000	-	-	-	-	-	-	-	-	-	5,000	
Utilities												
Water	-	230	-	-	-	-	230	-	-	-	460	
Gas	-	-	-	-	8,800	-	-	-	8,800	-	17,600	18,000
Gas	-	-	17,700	-	13,000	-	17,700	-	-	-	48,400	
Electric	-	-	-	18,800	-	-	-	18,800	-	-	37,600	18,000
Electric	165	-	-	-	13,000	165	-	-	-	165	13,495	
Travel and Entertainment												
T&E	300	-	-	-	-	-	-	-	-	-	300	
T&E --- S&M	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	17,500	
T&E --- G&A	2,500	-	-	-	-	-	-	-	-	-	2,500	
Rent												
NY Rent	20,000	-	-	-	-	-	-	-	-	-	20,000	
NC	734	-	-	-	-	734	-	-	-	734	2,202	
Insurance & Taxes												
Workers Comp	2,912	-	-	-	-	2,912	-	-	-	2,912	8,736	2,818
Property and Casualty	-	-	10,000	-	-	30,000	9,000	9,000	9,000	-	76,000	
PP and RP	-	5,000	-	-	-	-	5,000	-	-	5,000	15,000	
Healthcare	-	-	-	75,000	-	-	-	75,000	-	-	150,000	
Outside Services												
Environmental Consultants	4,630	4,630	4,630	4,630	4,630	4,630	4,630	4,630	4,630	4,630	46,300	4,630
Estes Express Lines	2,646	2,744	2,744	2,744	2,744	2,744	2,695	2,695	2,695	2,695	27,146	
United Parcel Services	-	8,900	-	-	8,900	-	-	8,900	-	-	24,000	
Office Supplies	250	250	250	250	250	250	250	250	250	250	2,500	
Supplies S&M	100	100	100	100	100	100	100	100	100	100	1,000	
Other	713	713	713	713	713	713	713	713	713	713	7,130	
Communication	2,000	2,000	2,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	13,000	
Bank Charges	600	600	600	600	600	600	600	600	600	600	6,000	
Total Operating Costs	291,256	249,121	273,391	398,715	289,530	288,303	267,594	407,146	263,714	377,811	3,106,579	
Reorganization Costs												
Bankruptcy Counsel	-	-	95,000	-	-	95,000	-	-	-	85,000	275,000	
Administrative Expenses Accrued Post-Closing	-	-	-	-	-	-	-	-	-	25,000	25,000	
Corporate Counsel/Tax Accountant	-	-	15,000	-	-	-	-	-	-	10,000	25,000	
ESBA CRO Duties	-	-	55,800	-	46,000	-	46,000	-	46,000	23,000	216,800	
ESBA Lease and Executor Contract Retainer	-	-	-	17,000	-	-	-	-	-	-	17,000	
Sales Process Fees	-	30,000	-	-	-	-	-	-	-	30,000	60,000	
Retainer for Patent & Intangible Attorney	-	2,000	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	2,000	
Retainer for Data Room	-	7,000	-	-	-	-	-	-	-	-	7,000	
Miscellaneous Sales Process Contingency	-	-	-	-	-	-	-	-	-	5,000	5,000	
US Trustees Fees	-	-	-	-	-	-	-	-	-	25,000	25,000	
Total Reorganization Costs	-	39,000	165,800	17,000	46,000	95,000	46,000	-	46,000	203,000	657,800	
Total Disbursements	291,256	288,121	439,191	415,715	335,530	383,303	313,594	407,146	309,714	580,811	3,764,379	226,610
Change in Cash	(175,422)	(48,698)	(179,740)	(141,564)	(61,379)	(32,712)	36,997	(79,095)	72,237	(198,860)	(808,238)	
Net Available DIP Financing*	1,493,022	1,444,323	1,264,583	1,123,019	1,061,640	1,028,928	1,028,928	949,833	949,833	750,973	750,973	524,363

\* Note: Total available DIP Loan is \$2,500,000. This is the budget that the Company lender's approved. The Company may have additional expenses that it projects to incur.

**EXHIBIT "1"**

**Colorep, Inc. First Amended DIP Term Sheet**

**Term Sheet for Senior Secured, Priming Debtor in Possession Term Credit Facility**

The terms and conditions set forth in this First Amended Term Sheet (the "**DIP Term Sheet**") for Senior Secured Priming Debtor in Possession Term Credit Facility are to be used solely as a basis for continued discussions and do not constitute a commitment to provide financing of any sort or a commitment to prepare, negotiate, execute or deliver such a commitment. All figures, terms and conditions set forth herein are subject to change or withdrawal at any time. This DIP Term Sheet is confidential and may not be disseminated to any person or entity other than the Borrower and the Borrower's agents and advisors without the express prior written consent of the DIP Lender. In the event that a "Final DIP Order" is entered, as defined below, and any term of the Final DIP Order is inconsistent with this DIP Term Sheet, the Final DIP Order shall evidence the agreement of the parties and control.

**Borrower:**

Colorep, Inc. and Transprint USA, Inc. (collectively, the "**Borrower**" or "**Debtors**"), as debtors and debtors-in-possession under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**").<sup>4</sup>

**DIP Agent and DIP Lenders:**

Meserole, LLC ("**Meserole**") in its capacity as DIP Agent, DIP Lender and "**Pre-Petition Lender**") and Meserole, together with the other lenders from time to time party hereto (collectively, the "**DIP Lenders**").

**Commitment/Availability:**

The DIP Lenders will make loans to the Borrower under a senior secured, priming debtor-in-possession term credit facility (the "**DIP Facility**") in an aggregate amount not to exceed \$2,500,000, subject to the conditions regarding the Interim Advance set forth below. Upon the entry by the United States Bankruptcy Court having jurisdiction over the Debtors' chapter 11 cases (the "**Court**") of the Interim DIP Order (as defined below), the Borrower shall be permitted to borrow an amount not to exceed \$1,000,000 ("**Interim Advance**") in the aggregate. Upon the entry by the Court of the Final DIP Order (as defined below), the Borrower may draw on the full amount of \$2,500,000, inclusive of the Interim Advances, subject to the terms and conditions set forth in this DIP Term Sheet, the DIP Facility agreement, if any, and the Final DIP Order.

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<sup>4</sup> In the event any other affiliates of the Debtors shall commence chapter 11 cases or an order for relief is entered against any such affiliate, such additional debtor shall be deemed a Borrower and one the Debtors hereunder without further order of the Court.

**Use of Proceeds:**

All advances under the DIP Facility shall be used in accordance with the budget proposed by the Debtors and approved by the DIP Agent and DIP Lenders attached as Exhibit 1 to the Final DIP Order (the “**Budget**”), as such Budget thereafter may be modified by a subsequent budget or budgets as proposed by Debtors in writing and approved with the DIP Agent’s and DIP Lenders’ prior written consent, by the Borrower to (i) fund ongoing working capital requirements during the pendency of the Debtors’ chapter 11 bankruptcy cases, including payment of the Borrower’s trade payables and employee wages, in each case in accordance with the Budget (and to the extent any such item on the Budget relates to pre-petition obligations, then also in accordance with an of the Court authorizing such disbursement); (ii) pay United States Trustee and professional fees and expenses associated with the chapter 11 bankruptcy cases of the Debtors in accordance with the Budget; and (iii) for general corporate purposes in accordance with the Budget. Compliance with the Budget will be measured every week, subject to a weekly line item variance not to exceed 10% (“**Variance**”), except as more specifically provided in the Final DIP Order.

**Interest:**

Interest on the outstanding balance of the DIP Facility will accrue at the rate of ten percent (10%) per annum and will be calculated each month on the basis of actual days elapsed and a 360-day year, and will be payable on the Maturity Date. Interest on the DIP Facility shall increase to thirteen percent (13%) per annum, to the extent permitted by applicable law, upon notice of occurrence, and during continuance, of an Event of Default (as defined herein), with the entire amount of such default interest together with all accrued and unpaid interest prior to an Event of Default, payable in cash upon demand. The DIP Agent and DIP Lenders are charging no fees to the Borrower in connection with the DIP Facility and all accrued interest and accrued fees and expenses shall only become due and payable upon the Maturity Date.

**Maturity:**

The DIP Facility shall be repayable in full on the date (the “**Maturity Date**”) that is the earliest of (i) ninety (90) days from the Petition Date; (ii) the effective date of a plan of reorganization; (iii) the consummation of a sale of all or substantially all of the assets of the Debtors under section 363 of the Bankruptcy Code (“**Sale**” or “**Sale Transaction**”); (iv) delivery of the Carve-Out Event Notice; (v) the entry of an order by the Court approving an

alternative DIP financing; and (vi) such later date as the DIP Agent and DIP Lenders in their sole discretion may agree to in writing with the Borrower.

**Use of Cash Collateral:**

The Pre-Petition Lender asserts a first priority perfected secured lien on substantially all property of the Borrower (**“Pre-Petition Collateral”**) and consents to the Borrower’s use of the Pre-Petition Collateral including Cash Collateral, in accordance with the Budget and subject to the terms hereof, including but not limited to the granting of the Pre-Petition Lender Adequate Protection (as defined below).

**Adequate Protection:**

As adequate protection for the Pre-Petition Lender’s consent to being primed by the DIP Liens (as defined below) and the Carve-Out Expenses (as defined below) and the potential diminution in value of the Pre-Petition Lender’s interests in the Pre-Petition Collateral and the imposition of the automatic stay, the Borrower shall take all actions necessary for the Pre-Petition Lender to be granted adequate protection (collectively, the **“Pre-Petition Lender Adequate Protection”**) pursuant to Sections 361, 363, and 364 of the Bankruptcy Code, in the form of: (i) valid, binding, enforceable and perfected replacement liens upon and security interests in all property of the Debtors’ estates to the extent of any diminution in value of the Pre-Petition Lender’s interests in the Pre-Petition Collateral (the **“Pre-Petition Lender Replacement Lien”**), subject only to the Permitted Liens, as defined below in respect of the priority of the lien securing the DIP Loan, provided, however, that the Pre-Petition Lender Replacement Lien shall not extend to any causes of action, or proceeds thereof, that may be commenced pursuant to Chapter 5 of the Bankruptcy Code, which replacement liens shall be subordinate only to the DIP Lien, Pre-Petition Lien and the Carve-Out Expenses; (ii) payment by the Debtors on the Maturity Date of the reasonable costs and fees, including without limitation reasonable attorneys’ fees, incurred by the Pre-Petition Lender in its capacity as prepetition lender to the Borrower; and (iii) an allowed super-priority administrative claim pursuant to Bankruptcy Code section 503(b)(1), 507(a)(2) and 507(b) to the extent of the diminution in value of the Pre-Petition Collateral that shall be payable from and have recourse to, in addition to the property of the Debtors that is made subject to security interests and liens in favor of the DIP Agent for the benefit of the DIP Agent and DIP Lenders, any unencumbered prepetition and postpetition property of the Debtors, subject

to the Limited Subordination as defined below(the  
“**Adequate Protection Administrative Claim**”) subject to  
the Limited Subordination as defined below in respect of  
the DIP Lenders’ Superpriority Claims; (iv) reporting  
provided to the DIP Agent; (v) upon an Event of Default,  
similar rights and remedies as granted to the DIP Agent  
hereunder and in the Interim Order and Final Order; and  
(vi) such other forms of adequate protection as set forth in  
the Interim DIP Order and Final DIP Order.

**Conditions Precedent:**

Availability of the DIP Facility shall be subject to the  
following conditions precedent, all of which shall be for the  
benefit of the DIP Agent and must be satisfied on occasion  
of each drawdown under the DIP Facility, unless waived in  
writing in advance by the DIP Agent and DIP Lenders in  
their respective discretion:

**A. Interim Advances**

1. The Court shall have issued an interim order, in  
form and substance acceptable to the DIP Agent and  
DIP Lenders and their respective counsel on or  
before July 18, 2013, in relation to the Debtors (the  
“**Interim DIP Order**”), which order, inter alia,  
shall approve the DIP Facility on an interim basis,  
including, without limitation, the grant of a first  
priority, perfected priming lien upon all assets and  
the proceeds thereof of the Debtors, owned on or  
after the Petition Date and the proceeds thereof, to  
secure the obligations of the Borrower under the  
DIP Facility in accordance with the terms hereof  
(the “**DIP Collateral**”), effective immediately upon  
the entry of the Interim DIP Order, without the need  
for any further action on the part of the DIP Agent,  
DIP Lenders, the Borrower or any other person  
(including, without limitation, the execution or  
delivery of any further documents or agreements or  
the recording, filing, indexing, entering or  
registering of any financing statements or other  
similar instruments or documents); provided,  
however, DIP Agent shall have entered into an  
acceptable account control agreement with the  
depository bank holding Borrower’s DIP accounts ,  
which DIP Agent did not require as a condition to  
making Advances under the Interim Order.
2. The Borrower shall have permitted access to the  
DIP Agent and DIP Lenders and their financial  
advisor, if any, to their books and records and

knowledgeable employees, agents and representatives, which access DIP Agent and DIP Lenders acknowledge has occurred and is continuing.

3. The Interim DIP Order shall be in full force and effect and shall not have been reversed, stayed, appealed, modified or amended without the express written consent of DIP Agent and DIP Lenders, and no application or motion shall have been made to the Court for any stay, modification or amendment of the Interim DIP Order and no stay, appeal or leave to appeal with respect to same shall be pending, which DIP Agent and DIP Lenders acknowledge occurred.
4. No event has occurred and is continuing to occur that constitutes an Event of Default or would constitute an Event of Default, but for the requirement that notice be given or time to elapse or both, which DIP Agent did not waive by making Advances under the Interim Order.
5. DIP Agent and DIP Lenders have approved initial Budget, which DIP Agent and DIP Lenders acknowledge they approved, and approved as amended.
6. Entry of an Order approving engagement agreement of CRO, in form and substance acceptable to DIP Agent and DIP Lenders. DIP Agent and DIP Lenders acknowledge that a CRO was retained by the Debtors prior to the filing of Debtors' cases and acknowledge that Debtors have filed an application for approval of employment of the CRO in the cases, but that application is pending and the order approving employment of the CRO has not yet been entered as of August 8, 2013.

**B. Additional Advances** 1.

The Court shall have entered a final order, in form and substance acceptable to the DIP Agent and DIP Lenders and their respective counsel which shall be effective as of August 15, 2013 (the "**Final DIP Order**"), which order, inter alia, shall approve the DIP Facility on a final basis, including, without limitation, the grant of a first priority, perfected priming lien upon all DIP Collateral to secure the



obligations of the Borrower under the DIP Facility in accordance with the terms hereof and in accordance with the Final DIP Order, effective immediately upon the granting of the Final DIP Order, without the need for any further action on the part of the DIP Agent or DIP Lenders, the Borrower or any other person (including, without limitation, the execution or delivery of any further documents, agreements or the recording, filing, indexing, entering or registering of any financing statements or other similar instruments or documents).

2. All of the funds available under the Interim DIP Order shall have been borrowed and used in accordance with the terms of the DIP Facility, the Interim DIP Order and the Budget, subject to the Variance, and except as waived by DIP Agent and DIP Lenders by the making of Advances under the Interim DIP Order.
3. The Final DIP Order shall be in full force and effect and shall not have been reversed, stayed, appealed, modified or amended without the express written consent of DIP Agent and DIP Lenders, and no application or motion shall have been made to the Court for any stay, modification or amendment of the Final DIP Order and no stay, appeal or leave to appeal with respect to same shall be pending.
4. No event has occurred and is continuing to occur that constitutes an Event of Default or would constitute an Event of Default, but for the requirement that notice be given or time to elapse or both.

**Priority and Liens:**

As more fully set forth in the Interim DIP Order and the Final DIP Order, the DIP Obligations (i) pursuant to section 364(c)(1) of the Bankruptcy Code, shall constitute allowed superpriority administrative expense claims (the “**Superpriority Claim**”), which Superpriority Claim shall be subordinate only to the extent of the following limited claims asserted against the Debtor: (w) administrative expense claims for allowed professional fees to STG and other professionals employed in the cases in excess of Permitted Professional Fees provided for in the Carve Out; (x) pre-petition wage, severance, vacation and similar claims but solely to the extent allowed pursuant to sections

507(a)(4) and 507(a)(5) of the Bankruptcy Code; (y) pre-petition tax claims but solely to the extent allowed pursuant to section 507(a)(8) of the Bankruptcy Code; and (z) claims of junior secured creditors to the extent that the Court has entered the following orders in favor of such creditors, each after notice to the Debtors, the DIP Agent, the DIP Lenders and the Committee, and a hearing on such creditor's request: (x) in the first instance, the creditor has requested and the Court has granted a replacement lien on property of the Debtors' estates as adequate protection to protect such creditor's pre-petition interest, if any, in property of the estates; and (y) in the second instance, the creditor has requested and been granted a superpriority claim under section 507(b) of the Bankruptcy Code by establishing that the adequate protection lien ordered in clause (x) failed to protect the junior secured creditor from diminution in value of such creditor's interest in property of the estate (collectively the "**Limited Subordination**"), (ii) pursuant to section 364(c) and (d) of the Bankruptcy Code, as applicable, shall be secured by a first priority, perfected priming lien on all of the DIP Collateral now owned or hereafter acquired and the proceeds thereof (the "**DIP Lien**") that is superior in priority to the liens and security interests securing the Pre-Petition Loans, but which is junior in priority to (x) liens permitted under the Pre-Petition Lender's credit agreement, which were on the Petition Date valid, unavoidable and perfected pre-petition security interests and (y) any other liens in existence on the Petition Date which would have had priority over the liens and security interests securing the Pre-Petition Loan, if any, which shall continue to have the priority provided to them under applicable law (the "**Permitted Liens**"), and (z) the Carve-Out Expenses;

The Pre-Petition Lender Replacement Lien shall be junior only to the (i) Carve-Out Expenses, (ii) the DIP Lien, (iii) liens permitted under the Pre-Petition Lender's credit agreement, which were on the Petition Date valid, unavoidable and perfected pre-petition security interests and (iv) any other liens in existence on the Petition Date which would have had priority over the liens and security interests securing the Pre-Petition Loan, if any, which shall continue to have the priority provided to them under applicable law. The Pre-Petition Lender Adequate Protection Administrative Claim shall have priority over any and all claims and administrative expenses against the

Debtors of the kind specified in Bankruptcy Code sections 503(b) and 507(b), and shall be junior only to the Superpriority Claim, the Carve-Out Expenses and the claims subject to the Limited Subordination.

**Carve-Out Expenses:**

As more fully set forth in the Interim DIP Order and the Final DIP Order, the liens on and security interests in the Pre-Petition Collateral and DIP Collateral and the superiority administrative expense claims shall be subordinate to the “**Carve-Out**” or “**Carve-Out Expenses**”: (a) statutory fees payable to the United States Trustee pursuant to 28 U.S.C. § 1930(a)(6); (b) fees payable to the clerk of the Court or any agent thereof; (c) an amount equal to the lesser of (x) the reasonable and Budgeted professional fees and expenses actually incurred in the Chapter 11 cases by any professionals retained under section 327, 363, or 1103(a) of the Bankruptcy Code (the “**Permitted Professional Fees**”) prior to the occurrence of a Carve-Out Event, whenever allowed by the Court, and (y) \$415,000 from the date of the Interim DIP Order to the Maturity Date, for payment of Permitted Professional Fees incurred prior to the occurrence of a Carve-Out Event, to the extent allowed by this Court, of which (i) \$125,000 was disbursed directly to Stutman, Treister & Glatt, P.C (“STG”), Borrower's [proposed] bankruptcy counsel, as an initial Interim Advance upon entry of the Interim DIP Order, (ii) \$95,000 to be funded as a DIP Advance by DIP Lenders for disbursement by Debtors to STG within 5 days of entry of the Final DIP Order; (iii) \$95,000 to be advanced and disbursed to STG during the week of September 2, 2013; and (iv) \$85,000 to be advanced and disbursed to STG at the closing of the Sale Transaction, all of which to be applied to STG post-petition fees and expenses in accordance with applicable rules governing payment of professional fees; and (v) \$15,000 to be funded as a DIP Advance by DIP Lenders for disbursement by Debtors to Stubbs, Alderton & Markiles, LLP (“SAA”), Debtors’ [proposed] special corporate counsel, at the time an order is entered approving SAA’s employment, and to be held as a retainer, together with any pre-petition retainer paid to SAA, and applied to SAA post-petition fees and expenses in accordance with applicable rules governing payment of professional fees, (d) \$65,000 to be paid to Hilco Global, Streambank, or either of their affiliates, in installments of \$30,000, \$30,000 and increments of \$5,000 as provided in the Final DIP Order; and (e) after the occurrence of a Carve-Out Event, an amount equal to the

lesser of (x) the Permitted Professional Fees incurred following the occurrence of a Carve-Out Event, whenever allowed by the Court, and (y) \$25,000, for payment of Permitted Professional Fees incurred after the occurrence of a Carve-Out Event, to the extent allowed by this Court. Any payment of Permitted Professional Fees, other than the application of pre-petition retainers held by any such professional, shall reduce the DIP Agent's and DIP Lenders' DIP Facility commitment and the Carve-Out Expenses dollar for dollar. Upon the first day on which the DIP Agent is entitled to exercise remedies under the Interim DIP Order and Final DIP Order (the "**Carve-Out Event**") and provides written notice thereof to Borrower (the "**Carve-Out Event Notice**"), the right of the Borrower to pay Permitted Professional Fees, other than pursuant to clause (d) above shall terminate. Upon the entry of the Final DIP Order the DIP Agent shall fund a reserve in the amount of the Permitted Professional Fees, which shall satisfy the DIP Agent's and DIP Lenders' obligation for Permitted Professional Fees under the Carve Out.

In connection with the Carve-Out Expenses, the DIP Agent's and DIP Lenders' funding of the DIP Facility in accordance with this DIP Term Sheet, Budget and the Interim DIP Order, and the Pre-Petition Lender's consent for Debtors' use of cash collateral in accordance with the Interim DIP Order and the Budget, the Debtors, for themselves and their estates, waive all rights and claims against the DIP Agent, DIP Lenders, DIP Collateral, Pre-Petition Lender and Pre-Petition Collateral, under Bankruptcy Code sections 506(c), 552(b) and 105 and other applicable laws to charge the DIP Agent, DIP Lenders, Pre-Petition Lender, the DIP Collateral or the Pre-Petition Collateral for any costs or expenses incurred by the Debtors or their estate.

**Expenses:**

The Borrower shall reimburse the DIP Agent and DIP Lenders for the reasonable professional fees and expenses incurred by the DIP Agent and DIP Lenders at the Maturity Date.

**Covenants:**

The Debtors covenant and agree with the DIP Agent and DIP Lenders that, unless the DIP Agent and DIP Lenders otherwise consent in writing in their respective discretion, so long as any amount payable hereunder is outstanding or the DIP Facility shall remain in place, it shall only use the advances made under the DIP Facility for the purposes set

out herein and shall not use such funds to commence any action against the DIP Agent or DIP Lenders, or their respective affiliates, owners, directors, members, managers, officers, employees, agents or representatives. As more fully set forth in the Interim DIP Order and the Final DIP Order, the Debtors further covenant and agree that no Obligation under the DIP Facility shall be subject to setoff or recoupment or any such rights under Bankruptcy Code section 553 or otherwise with respect to any claim any Debtor may have against the DIP Agent or DIP Lenders arising after the Petition Date. Notwithstanding the foregoing, the DIP Agent and DIP Lenders shall be permitted to credit bid the DIP Obligations and the Pre-Petition Lender shall be permitted to credit bid the pre-petition secured obligations owing by Borrower to the Pre-Petition Lender in connection with the sale of any assets of the Debtors on which it or they hold a perfected lien.

**Sale of Assets:**

Unless otherwise consented to in writing by the DIP Agent and DIP Lenders, the proceeds from any sale of assets, other than sales in the ordinary course of business, shall be first used to reduce any amount outstanding under the DIP Facility, and any such payments shall reduce the aggregate commitment of the DIP Lenders ratably on a dollar for dollar basis.

**Milestones:**

The Debtors shall take action to conduct a sale of substantially all of their assets as a going concern pursuant to Bankruptcy Code section 363 (the “**Sale Transaction**”) in accordance with the following milestones (the “**Milestones**”):

(i) file with the Bankruptcy Court one or more motions, each in form and substance acceptable to the DIP Agent and DIP Lenders, seeking approval of a Court-approved sale process (the “**Sale Motion**”) and bidding procedures (the “**Bid Procedures Motion**”) within 10 days of the Petition Date. The Pre-Petition Lender and the DIP Lenders, or their designee, may subsequently submit a bid to act as the stalking horse bidder or otherwise to purchase the assets subject to the perfected liens in the Pre-Petition Collateral and the DIP Collateral, respectively, through credit bid of the obligations secured by such perfected liens. DIP Agent and DIP Lenders acknowledge the Sale Motion and Bid Procedure Motion were timely filed.

(ii) obtaining entry of a Bankruptcy Court order, in form and substance satisfactory to the DIP Agent and DIP

Lenders, approving the Bid Procedures Motion (the “**Bid Procedures Order**”) not later than August 9, 2013;

(iii) holding an auction for the Sale Transaction (the “**Auction**”) within 45 days following the Petition Date;

(iv) obtaining entry of a Bankruptcy Court order, in form and substance reasonably satisfactory to the winning bidder at the Auction, approving of the asset purchase agreement and sale of the Assets (pursuant to sections 363(f) and 363(m) of the Bankruptcy Code, free and clear of all liens, claims, interests and encumbrances) and assumption and assignment of designated contracts pursuant to section 365 to the winning bidder at the Auction (the “**Sale Approval Order**”) within 55 days of the Petition Date; and

(v) closing of the Sale Transaction no later than September 30, 2013.

**Financial Reporting:**

Unless otherwise consented to by the DIP Agent and DIP Lenders:

1. The Borrower shall provide to the DIP Agent, DIP Lenders, and any official committee appointed in the cases (“**Committee**”) on Wednesday of each week a list of all planned disbursements for the following week.
2. The Borrower shall provide to the DIP Agent, DIP Lenders and Committee no later than 3:00 p.m. on Tuesday of each week (each, a “**Reporting Date**”), (a) an updated Budget, (b) full accounting of all cash receipts and expenditures disbursed during the past week, commencing on the opening of business on the Monday and through the close of business of such past week, (c) a variance report of actual cash receipts and disbursements to the then applicable Budget of cash receipts and disbursements and a description of any line item variance greater than the Variance, (d) an update on the status of the steps taken with respect to the Sale Process, and (e) an estimate of the funding required for the succeeding 2 weeks.

**Events of Default:**

The occurrence of any one or more of the following events (each such event and the expiry of the cure period, if any, provided in connection therewith, being herein referred to

as an “**Event of Default**”) shall constitute a default under this Term Sheet:

1. Debtors’ failure to adhere to the Budget, subject to the Variance, by line item in terms of purpose, amount and timing, without DIP Agent’s and DIP Lenders’ prior consent.
2. Except as specifically provided in Subparagraph 3 in respect of Event of Default arising from a “Variance” as provided for in the Final DIP Order, the failure by the Borrower to perform or comply with any material term, condition, covenant or obligation contained in this Term Sheet, the Interim DIP Order or the Final DIP Order, on its part to be performed or complied with where any such failure to perform or comply shall not be remedied within three (3) business days from notice of default or otherwise cured as provided in the Final DIP Order.
3. Any failure of Debtors’ actual performance to meet the requirement of the DIP Budget subject to a variance (i) during each of the first four (4) weeks of the Budget an amount of Total Operating Costs not in excess of 5% of Net Available DIP Financing (for example, for the week ending August 17, 2013, Total Operating Costs cannot exceed \$319,965) and (ii) beginning in the week ending August 31, 2013 and thereafter an amount not in excess of 10% of Net Available DIP Financing (for example, for the week ending September 7, 2013 Net Available DIP Financing cannot be less than \$975,896) (“Variance”), which Variance is not cured by the Debtors by the due date of the next weekly reporting provided under subparagraph 10.b. of the Final DIP Order. of the Final DIP Order.
4. The cessation of the DIP Facility, the Interim DIP Order and the Final DIP Order to be in full force and effect or the DIP Facility being declared by the Court to be null and void or the validity or enforceability the DIP Facility being contested by the Borrower or the Borrower denying in writing that it has any further liability or obligation under the DIP Facility or the DIP Agent ceasing to have the benefit of the DIP Liens granted by the Interim DIP Order or the Final DIP Order.

5. Except as permitted in the Interim DIP Order or the Final DIP Order, the entry of any order of the Court granting a superpriority claim or lien pari passu with or senior to that granted to the DIP Agent and DIP Lenders hereunder.
6. Debs Corporation cancels any material pending order or fails to place new orders substantially consistent with past practices.
7. The entry of an order converting any of the Debtors' chapter 11 cases to a cases under chapter 7 of the Bankruptcy Code, or any Debtors filing a motion or not opposing a motion seeking such relief, unless consented to by the DIP Agent and DIP Lenders.
8. The entry of an order dismissing either of the Debtors' chapter 11 cases, or any Debtors filing a motion or not opposing a motion seeking such relief, unless consented to by the DIP Agent and DIP Lenders.
9. The entry of any order in the Debtors' chapter 11 cases or any successor cases, which order constitutes the stay, modification, appeal or reversal of the Interim DIP Order or the Final DIP Order, as applicable, or which otherwise affects the effectiveness of the Interim DIP Order or the Final DIP Order, as applicable, without the consent of the DIP Agent and DIP Lenders.
10. The entry of an order in the Debtors' chapter 11 cases granting relief from the automatic stay so as to allow a third party or third parties to proceed against any material property, including the DIP Collateral or to commence or continue any prepetition litigation against the Borrower, entry of which relief from stay order could reasonably be expected to result in any impairment of the rights or interests of the DIP Agent or DIP Lenders.
11. Any judgment or order as to postpetition liability or debt for the payment of money in excess of \$25,000 shall be rendered against the Debtors, and the enforcement thereof against DIP Collateral shall not have been stayed, and the enforcement of the



judgment could reasonably be expected to result in any impairment of the rights or interests of the DIP Agent or DIP Lenders.

12. Any non-monetary judgment or order with respect to a postpetition event shall be rendered against the Debtors which does or would reasonably be expected to (i) cause a material adverse change in the financial condition, business, prospects, operations or assets of the Debtors following the entry of the Interim DIP Order or Final DIP Order or (ii) have a material adverse effect on the rights and remedies of the DIP Agent under the DIP Facility, and there shall be a period of fourteen (14) days during which a stay of enforcement of such judgment or order, by reason of pending appeal or otherwise, shall not be in effect.
13. The failure to achieve any of the Milestones as set forth herein, unless otherwise waived by the DIP Agent in writing in its sole discretion.

**Governing Law:**

California

EXHIBIT A

	<b>Interim Advance Commitment</b>	<b>Total DIP Facility Commitment</b>
Meserole, LLC	100%	100%
Fuller Smith, LLC		

**NOTICE OF ENTERED ORDER AND SERVICE LIST**

Notice is given by the court that a judgment or order entitled:

**FINAL ORDER (A) AUTHORIZING DEBTOR TO OBTAIN POSTPETITION FINANCING; (B) GRANTING SUPERPRIORITY EXPENSE CLAIMS AND PRIMING LIENS; AND (C) GRANTING OTHER RELIEF UNDER 11 U.S.C. §§ 105, 361, 362, 363, 364 AND 507(B), F.R.B.P. 2002 AND 4001; AND LBRS 2002-1 AND 4001-2)**

was entered on the date indicated as "Entered" on the first page of this judgment or order and will be served in the manner stated below:

**1. SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF)** - Pursuant to controlling General Orders and LBRS, the foregoing document was served on the following persons by the court via NEF and hyperlink to the judgment or order. As of August 16, 2013, the following persons are currently **on the Electronic Mail Notice List for this bankruptcy case or** adversary proceeding to receive NEF transmission at the email addresses stated below.

☒ Service information continued on attached page

**2. SERVED BY THE COURT VIA UNITED STATES MAIL:** A copy of this notice and a true copy of this judgment or order was sent by United States mail, first class, postage prepaid, to the following persons and/or entities at the addresses indicated below:

☐ Service information continued on attached page

**3. TO BE SERVED BY THE LODGING PARTY:** Within 72 hours after receipt of a copy of this judgment or order which bears an "Entered" stamp, the party lodging the judgment or order will serve a complete copy bearing an "Entered" stamp by United States mail, overnight mail, facsimile transmission or email and file a proof of service of the entered order on the following persons and/or entities at the addresses, facsimile transmission numbers, and/or email addresses stated below:

☒ Service information continued on attached page

**1. SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF)**

Brian L Davidoff on behalf of Creditor Quercus Trust  
bdavidoff@greenbergglusker.com,  
jreinglass@greenbergglusker.com;kwoodson@greenbergglusker.com;calendar@greenbergglusker.com;sgaeta@greenbergglusker.com

Patrick B Howell on behalf of Creditor Sensient Imaging Technologies S.A.,  
Sensient Technologies Corporation  
phowell@whdlaw.com, dprim@whdlaw.com;tmichalak@whdlaw.com

Ron Maroko on behalf of U.S. Trustee United States Trustee (LA)  
ron.maroko@usdoj.gov

David W. Meadows on behalf of Creditor Virginia Electric And Power Co  
david@davidwmeadowslaw.com

Stephan W Milo on behalf of Interested Party Courtesy NEF  
smilo@wawlaw.com, psilling@wawlaw.com

Margreta M Morgulas on behalf of Debtor Colorep, Inc.  
mmorgulas@stutman.com

Margreta M Morgulas on behalf of Debtor Transprint USA, Inc.  
mmorgulas@stutman.com

Michael S Neumeister on behalf of Debtor Colorep, Inc.  
mneumeister@stutman.com

Michael S Neumeister on behalf of Debtor Transprint USA, Inc.  
mneumeister@stutman.com

Michael S Neumeister on behalf of Debtor In Possession Transprint USA, Inc.  
mneumeister@stutman.com

Frank T Pepler on behalf of Creditor Meserole, LLC  
frank.pepler@dlapiper.com

Danielle A Pham on behalf of Debtor Colorep, Inc.  
dpham@stutman.com, daniellepham@gmail.com

Jeffrey M. Reisner on behalf of Interested Party Courtesy NEF  
jreisner@irell.com

Christopher O Rivas on behalf of Creditor Columbia Gas of Virginia, Inc.  
crivas@reedsmith.com

Nicola G Suglia, Esq on behalf of Creditor Canon Financial Services, Inc. c/o  
Fleischer, Fleischer & Suglia  
nsuglia@fleischerlaw.com  
United States Trustee (LA)  
ustpreregion16.la.ecf@usdoj.gov

**3. TO BE SERVED BY THE LODGING PARTY:**

Colorep, Inc. and Transprint  
USA, Inc.  
Attn: Robert Katz  
1000 Pleasant Valley Road  
Harrisonburg, VA 22801-9790

Internal Revenue Service  
PO Box 21126  
Philadelphia, PA 19114

**20 Largest Creditors**

Anthem Blue Cross Blue Shield  
Attn: Dianne Loving  
P.O. Box 580494  
Charlotte, NC 28258

Domtar Corporation  
Port Huron Mill  
1700 Washington Avenue  
Port Huron, MI 48060

Domtar Corporation  
Subsidiary Of Domtar Ind  
1700 Washington Avenue  
Port Huron, MI 48060

Dominion Va Power  
Attn: Barbara Smith  
P.O. Box 26666  
Richmond, VA 23261-6666

Dominion Virginia Power  
P.O. Box 26019  
Richmond, VA 23260-6019

Krausz Puente LLC  
c/o The Krausz Companies  
44 Montgomery St, Ste 3300  
San Francisco, CA 94104

Krausz Puente LLC  
11383 Newport Dr  
Rancho Cucamonga, CA 91730-  
5536

Stonefield Josephson, Inc.  
Attn: Steve Rapattoni, CPA  
5 Park Plaza, Suite 700  
Irvine, CA 92614

Susan D'Arcy  
aka SRD International  
95 East Broadway  
Roslyn, NY 11576

Mimaki USA, Inc.  
c/o William Hearnburg, Jr.  
Smith, Gambrell & Russell,  
LLP  
Promenade, Suite 3100  
1230 Peachtree Street N.E.  
Atlanta, GA 30309

Mimaki USA, Inc.  
Dept. CH 17368  
Palatine, IL 6055-7368

Bonnie Julian  
1244 Pole Branch Rd  
Clover, SC 29710

L.H. Charney Associates, LLC  
Attn: Bruce Block  
1441 Broadway  
New York, New York 10018

Attn: Scott S. Markowitz  
Tarter Krinsky & Drogin LLP  
1350 Broadway  
New York, NY 10018

Fish & Associates  
Attn: Mei Tsang  
2603 Main Street, Suite 10000  
Irvine, CA 92614-4271

Fedex - Techconnect  
Attn: Pam Gish  
Lockbox 360353  
500 Ross St. Rm 154-0455  
Pittsburg, PA 15252

Federal Express Corp.  
PO Box 371461  
Pittsburgh, PA 15250-7461

Stand Energy Corporation  
Attn Kathy Kellems, Credit  
Manager  
1077 Celestial St., Suite 110  
Cincinnati, OH 45202

Stand Energy Corporation  
PO Box 632712  
Pittsburgh, PA 15250-7461

Carlo Tenconi  
Via Stromboli 209  
Milan 20144  
ITALY

Atlantic Paper Company  
430 Fehleley Drive  
King of Prussia, PA 19406

Univar USA, Inc.  
Attn: Doug Putney  
1001 Old Bermuda Hundred Rd  
Chester, VA 23836

Univar USA, Inc.  
P. O. Box 409692  
Atlanta, GA 30384-9692

PBMares /PBGH  
Attn: Mary Aldrich  
558 South Main Street  
Harrisonburg, VA 22801

Columbia Gas GTS Account  
P.O. Box 742529  
Cincinnati, OH 45274-2529

Chemsolv, Inc.  
P.O. Box 13847  
Roanoke, VA 24037

Dupont Company  
Attn: Jenna Pike  
1007 Market Street  
Wilmington, DE 19898

Dupont Company  
Cashier's Office D-8003-3  
1007 Market Street  
Wilmington, DE 19898

Shelter Capital Partners fka  
Yazam LLC  
Attn: Rodney Friedman  
10880 Wilshire Blvd., Ste 1850  
Los Angeles, CA 90024

Nexeo Solutions  
3 Waterway Square Place  
Suite 1000  
The Woodlands, TX 77380

Nexeo Solutions LLC  
62190 Collections Center Dr  
Chicago, IL 60693-0621

#### Secured Lenders

Meserole, LLC  
Attn: Ari Hirt  
152 W 57th Street, 4th Fl.  
New York, NY 10019

DLA Piper LLP (US)  
Attn: Stuart M. Brown  
919 N. Market St., # 1500  
Wilmington, DE 19801

DLA Piper LLP (US)  
Attn: Frank Pepler & Bertrand  
Pan  
550 S. Hope Street, #2300  
Los Angeles, CA 90071-2678

**Parties Asserting a Secured  
Interest**

Debs Corporation  
8F Honmachi Center Building  
2-6-10 Honmachi  
Chuo-ku  
Osaka 541-0053 JAPAN

BDG (Larry Levy)  
177 Riverside Drive  
Newport Beach, CA 92663

Cheran Digital Imaging &  
Consulting  
798 Burnt Gin Road  
Gaffney, South Carolina 29340

Cheran Digital Imaging &  
Consulting  
1506 Old Georgia Hwy  
Gaffney, SC 29341

Counsel to Cheran Digital  
Imaging & Consulting  
Dillina W. Stickley  
Hoover Penrod PLC  
342 South Main Street  
Harrisonburg, VA 22801

Danzas Corporation  
t/a DHL Global Forwarding  
433B Carlisle Drive  
Herndon, VA 20170

Counsel to Danzas Corporation  
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7834 Forest Hill Avenue  
Richmond, VA 23225

Waste Management of Virginia  
3580 S. Main Street  
Harrisonburg, VA 22801

Counsel to Waste Management  
of Virginia  
David H. Gougher PC  
7834 Forest Hill Avenue  
Richmond, VA 23225

Fisher Textiles, Inc.  
139 Business Park Drive  
Indian Trail, NC 28079

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Port Republic, VA 24471-2654

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Litten & Sipe  
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Esq.  
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509 Wirt Avenue  
Elkton, VA 22827

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Harrisonburg, VA 22801

Riddleberger Brothers  
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Counsel to Riddelberg  
Brothers  
Lenhart Obenshain  
100 10th Street NE  
Suite 300  
Charlottesville, VA 22902

Victoria Home Imp. LLC  
3200 Honey Flower Ct  
Chesapeake, VA 23323-1952

Summit Financial Resources  
2455 East ParleysWay  
Salt Lake City, UT 84109

Faunus Group International,  
Inc.  
80 Broad Street, 22nd Floor  
New York, NY 10004

David Gelbaum, Trustee  
Quercus Trust  
1835 Newport Blvd, A109 - PMB  
467  
Costa Mesa, CA 92627

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21st Floor  
Los Angeles, CA 90067