

ASSET PURCHASE AGREEMENT

between

Colorep, Inc.

Transprint USA, Inc.

and

**Beta Color, LLC
("Sellers")**

and

Meserole, LLC

and

**Fuller Smith Capital Management, LLC, in its capacity as DIP Agent
("Purchasers")**

Dated as of October 4, 2013

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EXHIBITS

Exhibit A Form of Assignment and Assumption Agreement
Exhibit B Form of Bill of Sale
Exhibit C Legal Description for Real Property
Exhibit D Form of Patent Assignment
Exhibit E Form of Trademark Assignment
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Exhibit G Form of Declaration in Support of No Successor Liability

APPENDICES

Appendix I Bankruptcy Sale Order

SCHEDULES

Schedule 2.3(f) Certain Assumed Liabilities

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement"), dated as of October [], 2013 (the "Execution Date"), is made by and among (i) Meserole, LLC, a Delaware limited liability company ("Meserole"), and Fuller Smith Capital Management, LLC, a Delaware limited liability company and solely in its capacity as DIP Agent ("FSCM") (including any assignee of Meserole and FSCM under Section 12.3(a) below, each, and collectively, the "Purchaser"), and (ii) Colorep, Inc., a California corporation ("Colorep"), Transprint USA, Inc., a Virginia corporation and a wholly owned subsidiary of Colorep ("Transprint"), and Beta Color, LLC, a California limited liability company and a wholly owned subsidiary of Colorep ("Beta" and, together with Colorep and Transprint, each a "Seller" and, collectively, the "Sellers").

RECITALS

WHEREAS, Sellers are presently engaged in, among other things, a fabric printing business with a manufacturing facility in Virginia and sales showrooms and offices in California, South Carolina, North Carolina and New York (the "Business");

WHEREAS, on July 10, 2013, Colorep and Transprint (each a "Debtor" and, collectively, the "Debtors") each filed a voluntary petition for relief (the "Bankruptcy Case") pursuant to Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code") in the United States Bankruptcy Court for the Central District of California (the "Bankruptcy Court") as case number 13-bk-27689-WB (the "Bankruptcy Case");

WHEREAS, Debtors continue to operate the Business as a debtor and debtor-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code;

WHEREAS, Sellers desire to sell, transfer and assign to Purchaser, and Purchaser desires to acquire and assume from Sellers, pursuant to Sections 363 and 365 of the Bankruptcy Code, the Acquired Assets (including, without limitation, the Assigned Contracts) and the Assumed Liabilities, all at the price, and on the terms and conditions, as more specifically provided herein;

WHEREAS, Sellers have determined that it is advisable and in the best interests of Sellers and the Debtors' estates to consummate the transaction provided for herein and obtain approval of the Agreement pursuant to the Bidding Procedures Order and the Bankruptcy Sale Order;

WHEREAS, the transactions contemplated by this Agreement are subject to the approval of the Bankruptcy Court and will be consummated only pursuant to the Bankruptcy Sale Order to be entered in the Bankruptcy Case; and

WHEREAS, upon the approval of the Bankruptcy Court of the transactions contemplated hereby pursuant to the Bankruptcy Sale Order and the execution of this Agreement, but prior to the Closing, pursuant to Section 12.3(a) hereof, Meserole intends to assign its Pre-Petition Claims and Pre-Petition Liens and FSCM intends to assign the DIP Obligations and DIP Liens, as well as all of their respective rights and obligations hereunder (including their right to acquire any of the Acquired Assets), in each case to the Purchaser

Assignee and, following such assignments, the Purchaser Assignee shall be the "Purchaser" hereunder and have all the rights and obligations of Meserole and FSCM hereunder.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, Sellers and Purchaser hereby agree as follows:

ARTICLE 1
DEFINITIONS

1.1 Certain Terms Defined. As used in this Agreement, the following terms have the following meanings:

"Acquired Assets" has the meaning set forth in Section 2.1.

"Affiliate" has the meaning set forth in Section 101(2) of the Bankruptcy Code.

"Agreement" has the meaning set forth in the Preamble, as the same may from time to time be amended, modified or restated in accordance with the terms hereof.

"Allocation Statement" has the meaning set forth in Section 3.2(a).

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

"Assignable Contract" means any Contract to which a Seller is a party that such Seller is permitted under the Bankruptcy Code to sell and assign other than those Contracts set forth on Schedule 2.5(a).

"Assigned Contracts" has the meaning set forth in Section 2.5(a).

"Assignment and Assumption Agreement" means the Assignment and Assumption Agreement in all material respects in the form attached hereto as Exhibit A evidencing the assignment to and assumption by Purchaser of all rights and obligations under the Assigned Contracts.

"Assumed Liabilities" has the meaning set forth in Section 2.3.

"Avoidance Actions" means, individually and collectively, all avoidance or recovery actions under Bankruptcy Code sections 502, 510, 541, 542, 544, 545, 547, 548, 549, 550, 551, and/or 553, or under similar or related state or federal statutes and common law, including, without limitation, fraudulent transfer or conveyance laws.

"Bankruptcy Case" has the meaning set forth in the Recitals.

"Bankruptcy Code" has the meaning set forth in the Recitals.

“Bankruptcy Court” has the meaning set forth in the Recitals.

“Bankruptcy Sale Order” means an order by the Bankruptcy Court pursuant to Sections 363 and 365 of the Bankruptcy Code, in the form attached hereto as Appendix I, approving the sale of the Acquired Assets to the Purchaser and which shall contain, among other provisions acceptable to Purchaser in its sole discretion, the provisions set forth in Section 8.1.

“Bankruptcy Sale Order Deadline” means October [], 2013.

“Benefit Plan Schedule” has the meaning set forth in Section 6.6(b).

“Bidding Procedures Order” means the final order from the Bankruptcy Court, dated August 12, 2013, approving the bid procedures.

“Bill of Sale” means the Bill of Sale in all material respects in the form attached hereto as Exhibit B conveying to Purchaser title to all of the Acquired Assets which constitute personal property.

“Books and Records” means all books, records, correspondence, files, papers and other data maintained by, or in the possession of, any Seller or any Person on behalf of any Seller, whether in hard copy or electronic format, to the extent applicable to the Acquired Assets or the Assumed Liabilities, excluding, for the avoidance of doubt, any book and records consisting of the Sellers’ corporate charters or certificates or articles of formation or organization, bylaws or operating agreements, and minutes of meetings of their respective governing bodies and equity holders.

“Budget” has the meaning set forth in the Final DIP Order.

“Business” has the meaning set forth in the Recitals.

“Business Day” means any day other than Saturday, Sunday and any day that is a legal holiday or a day on which banking institutions in South Carolina are authorized by Law or other governmental action to close.

“Business Employee” means any employee of any Seller as of the Closing Date, or who would be entitled to a priority claim pursuant to Bankruptcy Code section 507(a)(4) or (5).

“Cash Payment Amount” means an amount in cash paid by Purchaser as part of the Purchase Price, as set forth in Section 3.1(a)(iii).

“Cash PTO Obligations” has the meaning set forth in Section 6.6(c).

“Casualty” has the meaning set forth in Section 6.5.

“Claim” has the meaning ascribed by Bankruptcy Code §101(5), including all rights, claims, causes of action, defenses, debts, demands, damages, offset rights, setoff rights, recoupment rights, obligations, and liabilities of any kind or nature under contract, at Law or in equity, known or unknown, contingent or matured, liquidated or unliquidated, and all rights and remedies with respect thereto.

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partners, employees, agents and attorneys, in each case, in any capacity, including, without limitation, in their respective capacity as Pre-Petition Lender, DIP Agent, DIP Lenders and their respective Affiliates.

2.2 Excluded Assets. Notwithstanding anything to the contrary in this Agreement, nothing herein shall be deemed to sell, transfer, assign or convey the Excluded Assets to Purchaser, and Sellers shall retain all right, title and interest in, to and under, and all obligations with respect to, the Excluded Assets. For all purposes of and under this Agreement, and as the same may be amended pursuant to Section 2.5, the term "Excluded Assets" shall mean:

(a) any asset of a Seller that otherwise would constitute an Acquired Asset but for the fact that it is conveyed, leased or otherwise disposed of in the ordinary course of Sellers' business prior to the Closing Date not in violation of this Agreement;

(b) all rights under or arising out of insurance policies that are non-assignable as a matter of Law (including, without limitation, the Anthem contracts and Debtor's directors and officers and errors and omissions insurance policies);

(c) all Excluded Contracts (collectively, the "Excluded Contracts");

(d) all rights under or arising out of insurance policies that are non-assignable as a matter of Law;

(e) all contracts that are not Assigned Contracts (including, without limitation, the Anthem contracts);

(f) except as provided in Section 2.1(m) and Section 2.1(o) above, all claims and causes of action of the Sellers, and all insurance related thereto, including, but not limited to, Avoidance Actions against officers, directors and shareholders (excluding Meserole) of the Sellers;

(g) any Contract that terminates or expires prior to the Closing Date in accordance with its terms or in the ordinary course of Sellers' business (excluding any extensions or renewals of Assumed Contracts effected or effective prior to the Closing Date);

(h) all rights, claims or causes of action with respect to or arising in connection with Excluded Assets;

(i) all Books and Records consisting of the Sellers' corporate charters or certificates or articles of formation or organization, bylaws or operating agreements, and minutes of meetings of their respective governing bodies and equity holders; and

(j) all rights of Sellers under this Agreement, including, without limitation, to and in respect of the Purchase Price.

2.3 Assumption of Liabilities. Upon the terms and subject to the conditions of this Agreement, Purchaser agrees, effective at the time of the Closing, to assume, pay, perform and discharge the following liabilities and obligations of the Sellers (the "Assumed Liabilities");

(a) (i) all accruals, operating costs and expenses and accounts payable of a Debtor incurred in the ordinary course of business arising after the Petition Date and before Closing in accordance with the Budget (without giving effect to the Variance (as defined in the Budget)) that remain unpaid as of the Closing Date, and (ii) rent for the month ending October 31, 2013 owing under Debtors' lease for its New York facility;

(b) all undisputed Cure Amounts due and owing under any Assigned Contracts;

(c) all liabilities and obligations of a Seller under the Assigned Contracts accruing after the Closing;

(d) all liabilities and obligations relating to the Acquired Assets and to the operation of the Business arising after the Closing;

(e) all liabilities and obligations relating to the employment or employee benefits or compensation arrangements with respect to the employment by Purchaser from and after the Closing Date of any Transferred Employees pursuant to Section 6.6 (other than any Cash PTO Obligations); and

(f) those additional specific Liabilities and obligations of Debtors identified on Schedule 2.3(f) hereto (subject to and conditioned upon the terms and conditions listed thereon).

2.4 Excluded Liabilities.

(a) Except as specifically set forth in Section 2.3, Purchaser shall not assume or be liable for any Claims, Liens, Encumbrances, Interests, Liabilities or other obligations of a Seller of any kind or nature whatsoever, whether presently in existence or arising hereafter (other than the Assumed Liabilities and the Liabilities or other obligations created or incurred by Purchaser following the Closing), including, without limitation, the following (collectively, the "Excluded Liabilities"):

(i) any obligations, Claims, or Liabilities of a Seller that relate to any of the Excluded Assets (including under Excluded Contracts);

(ii) any accruals, costs and expenses and accounts payable of a Seller arising after the Petition Date and before Closing in excess of the Budget;

(iii) except as set forth in Section 2.3(a,) any amounts due or which may become due or owing under the Assigned Contracts with respect to the period prior to Closing and which are funded pursuant to the DIP financing budget set forth in the Final DIP Order;

(iv) except as otherwise specifically provided for herein with respect to the payment of Taxes by Purchaser, any obligations, Claims, or Liabilities of a Seller or for which a Seller or any Affiliate of a Seller could be liable relating to Taxes, including any Taxes

that will arise as a result of the sale of the Acquired Assets or the assumption of the Assumed Liabilities pursuant to this Agreement and any deferred Taxes of any nature;

(v) any obligations, Claims, or Liabilities for any legal, accounting, investment banking, brokerage or similar fees or expenses incurred by a Seller or any predecessor or Affiliate of a Seller in connection with, resulting from or attributable to the Bankruptcy Case or the transactions contemplated by this Agreement or otherwise;

(vi) any Indebtedness of a Seller;

(vii) all Cash PTO Obligations owed to any Transferred Employee;

(viii) any obligation and Liability of a Seller resulting from, caused by or arising out of, or which relate to, directly or indirectly, the conduct of the Sellers or of the Business by the Sellers, or the ownership, lease or license of any properties or assets or any properties or assets previously used by a Seller or any predecessor or Affiliate of a Seller, or other actions, omissions, including any amounts due or which may become due or owing under the Assigned Contracts, with respect to the period prior to the Closing (other than the Cure Amounts);

(ix) any obligation or Liability of a Seller resulting from, caused by or arising out of, or which relate to, directly or indirectly, the conduct of anyone or the ownership, lease or license of any properties or assets or any properties or assets previously used by a Seller or any predecessor of a Seller at any time, or other actions, omissions or events occurring prior to the Closing and which (i) constitute, may constitute or are alleged to constitute a tort, breach of contract or violation of any rule, regulation, treaty or other similar authority or (ii) relate to any and all Claims, disputes, demands, actions, Liabilities, damages, suits in equity or at Law, administrative, regulatory or quasi-judicial proceedings, accounts, costs, expenses, setoffs, contributions, attorneys' fees or causes of action of whatever kind or character ("Proceeding") against a Seller, whether past, present, future, known or unknown, liquidated or unliquidated, accrued or unaccrued, pending or threatened;

(x) any obligation or Liability arising out of any Proceeding commenced against a Seller or any predecessor of a Seller after the Closing and arising out of, or relating to, any occurrence or event happening prior to, on or after the Closing;

(xi) any obligation or Liability of a Seller in respect of environmental related matters;

(xii) all Claims (other than undisputed Cure Amounts), including in respect of accounts payable, against a Debtor arising prior to the Petition Date, and all Claims, including in respect of accounts payable, against Beta arising prior to the Closing Date;

(xiii) any obligation or Liability arising out of or relating to services or products of a Seller to the extent performed, marketed, sold or distributed prior to the Closing;

(xiv) any obligation or Liability under any Assigned Contract which arises after the Closing but which arises out of or relates to any breach that occurred prior to the

Closing, except any such obligation or Liability in respect of undisputed Cure Amounts or the payment of undisputed Cure Amounts;

(xv) any obligation or Liability under any Contract, mortgage, indenture or other instrument of a Seller not assumed by Purchaser hereunder;

(xvi) any obligation or Liability arising out of or resulting from non-compliance or alleged non-compliance with any Law, ordinance, regulation or treaty by a Seller;

(xvii) any obligation or Liability for infringement or misappropriation of any intellectual property arising out of or relating to any conduct of a Seller or operation of the Business on or before the Closing;

(xviii) any obligation or Liability of a Seller under this Agreement or any other document executed in connection herewith;

(xix) any obligation or Liability of a Seller based upon such Person's acts or omissions occurring after the Closing;

(xx) the Liabilities specifically identified and described on Schedule 2.4(a)(xviii); and

(xxi) any other Liabilities of a Seller not expressly assumed by Purchaser pursuant to Section 2.3 above.]

(b) The parties acknowledge and agree that disclosure of any obligation or Liability on any Schedule to this Agreement shall not create an Assumed Liability or other Liability of Purchaser, except where such disclosed obligation has been expressly assumed by Purchaser as an Assumed Liability in accordance with the provisions of Section 2.3 hereof.

2.5 Assignment and Assumption of Contracts.

(a) At Closing, Sellers shall, pursuant to the Bankruptcy Sale Order and the Assignment and Assumption Agreement and other transfer and assignment documents requested by Purchaser, assume and sell and assign to Purchaser (the consideration for which is included in the Purchase Price), those Assignable Contracts that are set forth on a list (identifying the name, parties and date of each such Contract) provided by Purchaser to Sellers on or before September 20, 2013 (the "Assigned Contracts"); provided, however, that Purchaser shall have the right in its sole and absolute discretion to notify Sellers in writing, immediately prior to the commencement of the Sale Hearing, of (i) any Assigned Contract that it does not wish to assume (including any such Contract as to which there exists a dispute as to the amount of any Cure Amount), and (ii) any Assignable Contract that it does wish to assume and treat as an Assigned Contract hereunder.

(b) Purchaser will pay in cash all Cure Amounts in connection with the assumption and sale and assignment of Assigned Contracts for which all necessary consents and Bankruptcy Court approval to transfer have been obtained (as agreed to between Purchaser and Sellers or as determined by the Bankruptcy Court), and Purchaser will assume and agree to perform and discharge the Assumed Liabilities under the Assigned Contracts, pursuant to the

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any public statement or public communication with respect to the Agreement or transactions contemplated thereby without the prior written consent of Purchaser.

12.11 Headings. The article and Section headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

12.12 Electronic Delivery; Counterparts. This Agreement and any signed agreement or instrument entered into in connection with this Agreement, and any amendments hereto or thereto, may be executed in one or more counterparts, all of which shall constitute one and the same instrument. Any such counterpart, to the extent delivered by means of a facsimile machine or by .pdf, .tif, .gif, .peg or similar attachment to electronic mail (any such delivery, an "Electronic Delivery"), shall be treated for all manners and in all respects as an original executed counterpart and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto, each other party hereto or thereto shall re-execute the original form of this Agreement and deliver such form to all other parties. No party hereto shall raise the use of Electronic Delivery to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of Electronic Delivery as a defense to the formation of a contract, and each such party forever waives any such defense, except to the extent such defense relates to lack of authenticity.

12.13 Waiver of Jury Trial.

(a) EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY LITIGATION, ACTION, PROCEEDING, CROSS-CLAIM, OR COUNTERCLAIM IN ANY COURT (WHETHER BASED ON CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF, RELATING TO OR IN CONNECTION WITH (i) THIS AGREEMENT OR THE VALIDITY, PERFORMANCE, INTERPRETATION, COLLECTION OR ENFORCEMENT HEREOF OR (ii) THE ACTIONS OF SUCH PARTY IN THE NEGOTIATION, AUTHORIZATION, EXECUTION, DELIVERY, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT HEREOF. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN THEIR RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH LEGAL COUNSEL OF ITS OWN CHOOSING, OR HAS HAD AN OPPORTUNITY TO DO SO, AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS, HAVING HAD THE OPPORTUNITY TO CONSULT WITH LEGAL COUNSEL.

(b) THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS, OR MODIFICATIONS TO THIS AGREEMENT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT WITHOUT A JURY.

12.14 Third Party Beneficiaries. Except for the Persons who are provided with any payments, benefits or protections as set forth on Schedule 2.3(f) hereto, including Persons who are Transferred Employees, Business Employees or "potentially responsible parties", and

Persons whose liabilities are expressly assumed as Assumed Liabilities hereunder, no provision of this Agreement (including Section 6.4) is intended to confer upon any Person other than the parties hereto any rights or remedies hereunder.]

[Signatures appear on following page.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date first above written.

PURCHASER:

MESEROLE, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

**FULLER SMITH CAPITAL MANAGEMENT,
LLC,**
a Delaware limited liability company

By: _____
Name: _____
Title: _____

SELLERS:

COLOREP, INC.,
a California corporation

By: _____
Name: _____
Title: _____

Transprint USA, Inc.,
a Virginia corporation

By: _____
Name: _____
Title: _____

Beta Color, LLC,
a California limited liability company

By: _____
Name: _____
Title: _____

For purposes of Section 6.3(d) hereof

SAVIVA FS 1 LP ,

a _____

By: _____

Name: _____

Title: _____

DEBS CORPORATION,

a Japanese Corporation

By: _____

Name: _____

Title: _____

UNRELATED

EXHIBITS AND SCHEUDLES

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SCHEDULE 2.3(f)**Certain Assumed Liabilities**

<u>Liability to be Assumed</u>	<u>Amount of Assumed Liability</u>	<u>Terms of Payment</u>	<u>Other Terms and Conditions</u>
Employee payroll incurred prior to the Petition Date with respect to Business Employees who become Transferred Employees (pursuant to Section 6.6 of the Agreement) up to the statutory cap set forth in 11 U.S.C. §507(a)(4)	Not to exceed \$345,032 in the aggregate	As to each Transferred Employee, Purchaser will pay 1/12 of the amount of his or her allowed 11 U.S.C. §507(a)(4) claim owed to such Transferred Employee on the last Business Day of each calendar month during the 12-month period following Closing, beginning with the calendar month ending November 30, 2013.	Each Transferred Employee shall be entitled to receive the foregoing monthly payments only if such Transferred Employee is employed by Purchaser, or an Affiliate of Purchaser, on and as of the last Business Day of each month during the payment period and provides a release in favor of the Debtors of such priority claims as a condition to receiving the payment of the such claim (in a form of release provided by the Debtors). Upon the termination of employment of any such Transferred Employee without cause, the remaining balance of such Transferred Employee's claim shall be accelerated and paid in full upon such termination. Upon the termination for cause of any such Transferred Employee, or upon the voluntary separation of employment of any such Transferred Employee, no further monthly payments will be due or payable to such Transferred Employee and Purchaser will have no further obligation to such Transferred Employee or Sellers with respect to any such amounts.
All PTO Obligations incurred prior to the Petition Date and all PTO Obligations accrued after the Petition Date with respect to Business Employees who become Transferred Employees (as provided in Section 6.6 of the Agreement)	\$133,200 of value in the aggregate	Per Section 6.6 of the Agreement, Purchaser will assume this Assumed Liability on a non-cash basis only and will treat such liability only as a Non-Cash PTO Obligation. Such Non-Cash PTO Obligations will be assumed regardless of priority claim caps provided for under 11 U.S.C. §507(a)(4) and (5). To the extent any such PTO Obligations are or may be sought to be payable in cash, such PTO Obligations shall be Excluded Liabilities.	In addition, each Transferred Employee shall retain their seniority with respect to paid time off and other Purchaser benefit plans.
PTO Obligations incurred	\$28,000 of	At Closing, Purchaser will	

<u>Liability to be Assumed</u>	<u>Amount of Assumed Liability</u>	<u>Terms of Payment</u>	<u>Other Terms and Conditions</u>
prior to the Petition Date and all PTO Obligations accrued after the Petition Date with respect to Business Employees who do not become Transferred Employees	value in the aggregate	assume the liability up to the stated amount. As to each such Business Employee, Purchaser will pay the amount of his or her claim in twelve equal monthly installments during the 12 months following Closing.	
All accruals, operating costs and expenses and accounts payable of a Debtor incurred in the ordinary course of business arising after the Petition Date and before Closing that remain unpaid as of the Closing Date.	Pursuant to a schedule to be mutually agreed upon by Purchaser and Sellers and attached to this Schedule 2.3(f) prior to execution.	Payable following Closing at in the ordinary course of business of Purchaser.	
Priority wages incurred prior to the Petition Date with respect to Business Employees who do not become Transferred Employees) up to the statutory cap set forth in 11 U.S.C. §507(a)(4)	Not to exceed in the aggregate \$80,000	At Closing, Purchaser will assume in full the liability for such wages (up to the stated amount) on behalf of "potentially responsible parties." As to each such Business Employee, Purchaser will pay the amount of his or her claim in twelve equal monthly installments during the 12 months following Closing.	The assumption by Purchaser of this Assumed Liability shall be limited to payment, either directly to the Business Employees or to any governmental authority for their benefit, and to the following. Purchaser shall indemnify, defend and hold the "potentially responsible parties" harmless with respect to and to the extent of such Assumed Liability. Purchaser shall control (including on behalf of the "potentially responsible parties") the defense of any claims resulting in indemnification obligations hereunder (including the settlement of such claims) at its cost and with counsel of its choosing. Upon request by Purchaser, at Purchaser's expense, each "potentially responsible party" shall use commercially reasonable efforts to minimize any liability and, as requested by Purchaser, shall act in good faith in responding to, defending against, settling or otherwise dealing with such claims. Each "potentially responsible party" shall also cooperate in any such defense and give Purchaser other reasonable access to all information relevant thereto. No settlement of any claim for any such liability shall be made, or effective,

<u>Liability to be Assumed</u>	<u>Amount of Assumed Liability</u>	<u>Terms of Payment</u>	<u>Other Terms and Conditions</u>
			without Purchaser's prior written consent.
Payroll taxes incurred prior to the Petition Date	\$190,198	At Closing, Purchaser will assume in full the liability for such taxes (up to the stated amount) on behalf of "potentially responsible parties."	The assumption by Purchaser of this Assumed Liability shall be subject to the following. Purchaser shall indemnify, defend and hold the "potentially responsible parties" harmless with respect to and to the extent of such Assumed Liability. Purchaser shall control (including on behalf of the "potentially responsible parties") the defense of any claims resulting in indemnification obligations hereunder (including the settlement of such claims) at its cost and with counsel of its choosing. Upon request by Purchaser, and at Purchaser's expense, each "potentially responsible party" shall use commercially reasonable efforts to minimize any liability for such taxes and, as requested by Purchaser, shall act in good faith in responding to, defending against, settling or otherwise dealing with such claims. Each "potentially responsible party" shall also cooperate in any such defense and give Purchaser reasonable access to all information relevant thereto. No settlement of any claim for any such liability shall be made, or effective, without Purchaser's prior written consent.
Professional Fees of (i) Stutman, Treister & Glatt ("STG"), (ii) Executive Sounding Board Associates, Inc. ("ESBA"), and Hilco	STG - \$210,000 ESBA - \$131,000	With respect to STG, Purchaser will pay \$85,000 at Closing and \$20,833.33 each month during the 6 months following Closing, with the first such installment payment to be made by November 30, 2013; provided that any retainer fees in excess of final fees allowed shall be remitted to Purchaser. With respect to ESBA, Purchaser will pay \$46,000 in cash at Closing, and \$85,000 in cash in six monthly installments over a period of 6 months following Closing, with the	

<u>Liability to be Assumed</u>	<u>Amount of Assumed Liability</u>	<u>Terms of Payment</u>	<u>Other Terms and Conditions</u>
		<p>first payment to be made by November 30, 2013; provided that any retainer fees in excess of final fees allowed shall be remitted to Purchaser.</p> <p>With respect to Hilco , Purchaser will pay at Closing all fees and expenses owed to Hilco not to exceed \$62,750.</p>	

**SCHEDULE MUTUALLY AGREED UPON
BY PURCHASERS AND SELLERS
AND ATTACHED TO SCHEDULE 2.3(f)
PRIOR TO EXECUTION
OF ASSET PURCHASE AGREEMENT**

Truprint USA & Colorep, Inc.

	<u>Projected Expenses for W/E 10/4</u>	<u>Expenses Incurred Through 10/3 but Due Post Closing</u>
<i>Payroll/Payroll Taxes</i>		
Salaries		9,000
Salaries - Taxes		4,300
S&M		15,400
S&M - Taxes		7,200
G&A		5,800
G&A - Taxes		2,700
Hourly		30,000
Hourly - Taxes		14,000
401K/ Chld Support		3,900
Post Petition PTO		
<i>Materials:</i>		
Paper - Atlantic		
Paper - Domtar		
Ink - Sensient		
Ink Jet ink - Sensient		
Solvents - Univar		
Installation of Pulse Heater		
Foam Cores - Transwld - Penn Foam		
Boxes - Supply One		
Diamond Stylus - Engraving		
Ink Jet Paper - Next Wave (10 Rolls)		
Cores - Summer Industries		
Heads and Dampers for JVS Printers		
Engraving Polishing Stones		
<i>Utilities</i>		
Columbia Gas	9,000	9,000
Dominion Power	25,315	25,300
Duke Energy		200
Water (City and County)		450
ACC Business (Long Distance)		800
Verizon Business T1	2,050	3,863
Verizon NY/South	2,850	1,425
Time Warner		350
Allied Waste		800
Sprint	2,235	2,200
<i>Rent</i>		
NY Rent		
NC		750
<i>Insurance & Taxes</i>		
Hartford (Workers Comp).		5,000
Rutherford (1)		9,200
PP and RP		
Anthem		
Anthem Dental		5,300
<i>Commission and Travel Expenses</i>		
Bunnie Walker		300
Bob Fellows		2,200
Robert Edminston		750
Phillip Hess		
Pam Harrell		5,000
Outside Agents		
Inside Agents		
<i>Taxes</i>		
Property Tax - Estimate - Company is working to have the Value Reduced		

<i>Miscellaneous</i>		
Leaf Copiers	2,507	1,189
AVA Licensing (1)		
Dan Smith	1,143	-
DEQ (Annual)		1,000
EPA (Monthly)	-	1,500
UPS	1,700	1,700
Great America (stamp machine)		400
Estes (Shipping)		1,000
	<hr/>	<hr/>
	46,800	171,977

NOTES

- (1) Amounts to be Verified
- (2) Not Used
- (3) Represents approximately three to four employees.
- (4) Priority Claim assumes a time frame of 180 days prior to filing with a cap of \$12,475.
- (5) The above analysis does not take into consideration outstanding Receivables of approximately \$600k and Cash of approximately \$50K
- (6) Not all of the expenses noted above are due at closing.