

Hearing Date: April 17, 2008 at 10:00 a.m.
Objection Deadline: April 15, 2008 at 4:00 p.m.

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re : Chapter 11
: :
QUEBECOR WORLD (USA) INC., et al : Case No.: 08-10152 (JMP)
: Jointly Administered
Debtors. :
: :
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**DECLARATION OF MARIO J. ZINICOLA IN SUPPORT OF
MOTION FOR ORDER UNDER 11 U.S.C. SECTION 365(D)
DIRECTING QUEBECOR WORLD (USA) INC.
TO DETERMINE WITHIN TEN DAYS WHETHER
TO ASSUME OR REJECT EXECUTORY CONTRACT
WITH SHARP ELECTRONICS CORPORATION**

I, Mario J. Zinicola declare as follows in support of the Motion of SHARP ELECTRONICS CORPORATION (“Sharp”) for the entry of an order directing Quebecor World (USA) Inc. (“Quebecor”) to determine whether to assume or reject its executory contract with Sharp Electronics Corporation (“Sharp”) within ten (10) business days (the “Motion”).

1. I am the Director of Corporate Credit of Sharp Electronics Corporation. In this capacity, I am familiar with the business transactions between Sharp and Quebecor, the relevant agreements and the outstanding indebtedness due Sharp from Quebecor.

2. Sharp Electronics Corporation is engaged, among other things, in the business of providing Imaging Equipment and Printer goods, software and supplies and arranging for the provision of ongoing maintenance services, including installation, key operator training, warranty and ongoing maintenance.

3. On October 4, 2005 Pitney Bowes Credit Corporation (“PBCC”) and Quebecor entered into a Maintenance and Lease Services Agreement (the “Master Agreement”). Pursuant to the Master Agreement, PBCC was to provide equipment, software, supplies to its customers and arrange for the provision of ongoing services (i.e. installation, warranty, ongoing maintenance) from its service providers, including without limitation provision of equipment and ongoing services to Quebecor branches located in the United States (“US Customers”).

4. Effective October 4, 2005, a Products Purchase and Maintenance Agreement (“PBCC/Sharp Agreement”) was entered into between Sharp and PBCC, which provided, *inter alia*, that Sharp would deliver and install Sharp equipment and software ordered by PBCC for delivery to the US Customers and would arrange for the provision of ongoing supplies as required for such products through its authorized Sharp Dealer network (“Sharp Dealers”). Further, Sharp would provide ongoing warranty and maintenance services to the US Customers. Annexed hereto as Exhibit “B” is a copy of the PBCC/Sharp Agreement.

5. Except for certain specific Purchase Orders, the term of the PBCC/Sharp Agreement commenced on October 4, 2005 and is to expire on October 3, 2009 and may continue on a month to month basis thereafter.

6. In accordance with the PBCC/Sharp Agreement, all fees owing to Sharp for the Services in the amount(s) provided in and in accordance with the payment conditions set forth in Schedule 2 annexed to said PBCC/Sharp Agreement were to be paid to Sharp directly by the US Customers, i.e. Quebecor. Specifically, Quebecor is invoiced immediately following the end of each quarter for all fees due to Sharp for that prior quarter.

7. Concurrently with the PBCC/Sharp Agreement and the Master Agreement, Sharp and Quebecor entered into a Products Maintenance Services and Payment Agreement #PB-QUE-1 (“Sharp Maintenance Agreement”) pursuant to which Sharp has been providing Imaging Equipment and Printer goods (“Equipment”), software, and supplies manufactured by Sharp and has provided ongoing maintenance services, including installation, key operator training, warranty and ongoing maintenance (“Services”) Annexed hereto as Exhibit “C” is a copy of the Sharp Maintenance Agreement.

8. Approximately twenty-five Sharp Dealers currently provide the Services to Quebecor which encompasses two hundred twenty-two (222) separate pieces of equipment. Sharp pays its Sharp Dealers quarterly based on the Services which they have provided. Whether or not Sharp receives payment from Quebecor does not change the fact that Sharp must pay its Sharp Dealers.

9. Due to the long-range nature of the Sharp Maintenance Agreement, the pricing for the services provided by Sharp is favorable to Quebecor. These favorable terms, which also

include the ability of Quebecor to obtain immediate service from Sharp, makes the Sharp Maintenance Agreement a valuable asset of Quebecor's bankruptcy estate.

10. Sharp is owed the sum of \$111,610.80 for unpaid sums, including returned checks, ("Known Cure Amount") a portion of which accrued prior to the Petition Date. Annexed hereto as Exhibit "D" is a printout showing each of the outstanding invoices due to Sharp from Quebecor.

11. Further, Sharp has continued to render the Services to Quebecor during the first quarter of 2008 and the billing to Quebecor for that quarter will be prepared during the month of April, 2008. It is possible that the services rendered to Quebecor by Sharp prior to January 21, 2008 may be considered to be a pre-petition debt and will need to be added to the Known Cure Amount.

12. Since the Petition Date, Sharp has, in good faith, continued to provide the ongoing maintenance services, including installation, key operator training, warranty and ongoing maintenance. The average quarterly billing to Quebecor is the sum of \$65,000.

13. Sharp is in negotiations with Quebecor to sell additional equipment to Quebecor and provide ongoing service to that additional equipment. Sharp is willing to sell the additional equipment to Quebecor and sale terms are being discussed. However, Sharp needs certainty with respect to the existing Sharp Maintenance Agreement.

14. Further, the Sharp Maintenance Agreement may require modification so that any additional equipment purchased directly to Quebecor can be covered under the Sharp Maintenance Agreement.

15. Sharp has requested that Quebecor assume its executory contract, but as of the filing of this Motion, Quebecor has not elected to assume or reject the Sharp Maintenance Agreement.

16. Sharp does not wish to continue to provide the ongoing maintenance services, including installation, key operator training, warranty and ongoing maintenance to Quebecor unless the Sharp Maintenance Agreement is assumed by Quebecor.

17. Unless the Sharp Maintenance Agreement is assumed, Sharp will require Quebecor to pay for ongoing maintenance services, including installation, key operator training, warranty and ongoing maintenance in advance of the services to be rendered as it is impractical for these services to be paid for simultaneously with the provision thereof.

18. It would be unduly burdensome to compel each of the Sharp Dealers to receive contemporaneous payment from Quebecor each time a Service is required. Further, the Services provided, are billed based on preferred rates due to the Sharp Maintenance Agreement. If Sharp Dealers were required to receive contemporaneous payment from Quebecor, the pricing for each Service would necessarily have to be adjusted.

19. Sharp requests that this Court order Quebecor (i) to decide whether to assume or reject the Sharp Maintenance Agreement within 10 business days; and (ii) to pay for Services to be provided on a quarterly basis in advance of receiving those Services until its executory contract with Quebecor is assumed.

20. Assuming that Quebecor assumes the Sharp Maintenance Agreement, Sharp requests that this Court direct Quebecor to pay the Known Cure Amount plus any other cure sums as may become known prior to the hearing on this motion.

21. Assuming that Quebecor assumes the Sharp Maintenance Agreement, Sharp requests that this Court direct Quebecor to provide Sharp with adequate assurance of future performance.

22. Unless adequate assurance of future performance is provided by Quebecor, Sharp will require quarterly payment from Quebecor in advance of Sharp's rendering of any of the Services to Quebecor

I declare under penalty of perjury that the foregoing is true and correct.

Executed on April 4, 2008

_____/s/Mario J. Zinicola_____
Mario J. Zinicola