

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:)	Chapter 11
)	
QUEBECOR WORLD (USA) INC., <i>et al.</i> ,)	Case No. 08-10152 (JMP)
)	(Jointly Administered)
Debtors.)	

**STIPULATION ON PENDING MOTIONS INVOLVING
NASHVILLE, TENNESSEE AND TAUNTON, MASSACHUSETTS LEASES**

This Stipulation is made on the 16th day of April, 2008, by and between (1) Debtors Quebecor World Mid-South Press Corporation ("Quebecor Mid-South") and Quebecor World Retail Printing Corporation ("Quebecor Retail") and (2) KDN Investments, LLC (the "Tennessee Landlord") and Melvin D. Small and Sarah Small, as trustees of Eagle Drive Trust (the "Massachusetts Landlord").

Background

A. On January 21, 2008, Quebecor Mid-South and Quebecor Retail (collectively, the "Debtor Tenants"), together with various other affiliates, filed voluntary petitions under Chapter 11 of the Bankruptcy Code in this Court.

B. Quebecor Mid-South (then known as Mid-South Press Corporation) is tenant under a lease with the Tennessee Landlord dated July 11, 2001 (the "Nashville Lease") covering the real and personal property located at 2947 Brick Church Pike, Nashville (Davidson County), Tennessee (the "Nashville Property"). The Nashville Property consists of an office and manufacturing facility of approximately 106,900 square feet.

C. Quebecor Retail (then known as Retail Printing Corporation) is tenant under a lease with the Massachusetts Landlord dated July 11, 2001 (the "Taunton Lease") covering the

real and personal property located at 50 John Hancock Road, Taunton (Bristol County), Massachusetts (the "Taunton Property"). The Taunton Property consists of a 149,329 square foot industrial building.

D. On April 1, 2008, the Tennessee Landlord and the Massachusetts Landlord (collectively, the "Landlords") filed in this Court the Landlords' Motion Pursuant to 11 U.S.C. § 365(d)(2) and Fed. R. Bankr. P. 6006(b) to Compel Debtors to Assume or Reject Purchase Agreements Relating to Nashville, Tennessee and Taunton, Massachusetts Real Estate (the "Purchase Agreement Motion"), seeking to establish a deadline for each of the Debtor Tenants to assume or reject the purchase agreement that arose from each Debtor Tenant's prepetition exercise of a purchase option for its leased premises under which the closing would occur on July 11, 2008, the day after expiration of the underlying lease in accordance with its terms. The parties are in the midst of the process established by the Nashville Lease and the Taunton Lease for appointment of appraisers to fix the purchase price if the parties are unable to agree (the "Purchase Price Process"). The Purchase Agreement Motion is currently scheduled to be heard by this Court on April 17, 2008.

E. On April 1, 2008, the Tennessee Landlord filed the Landlord's Motion to Compel Debtor to Perform Postpetition Obligations Arising Under Nashville, Tennessee Lease (the "Lease Performance Motion") seeking to require Quebecor Mid-South to cure alleged postpetition defaults consisting of (1) failure to make a payment of real estate taxes in the amount of \$66,536.11 that came due during the postpetition period (the "Tax Payment"), and (2) construction of an unauthorized addition (the "Addition") and failure to operate in accordance with applicable law by reason of not having obtained a certificate of occupancy therefor (the "Certificate of Occupancy"). The Certificate of Occupancy has since been obtained.

F. On April 7, 2008, the Debtor Tenants along with the other debtors herein filed the Debtors' Motion for Entry of an Order Pursuant to §365(d)(4) of the Bankruptcy Code Extending Time for the Debtors to Assume or Reject Unexpired Leases of Nonresidential Real Property (the "Deadline Extension Motion") seeking, as all of their leases of nonresidential real property including the Nashville Lease and the Taunton Lease a 90-day extension of the time within which such leases will be deemed rejected if not assumed (the "Assumption Deadline").

G. Each of the Landlords has given notice to its respective tenant to supply evidence of insurance complying with the requirements of its lease (the "Insurance Requirement").

H. The Debtor Tenants and the Landlords are in the process of negotiating an agreement to address issues concerning the Nashville Property and the Taunton Property upon expiration of the leases thereof, as well as all issues concerning the Debtor Tenants' performance of such leases (a "Comprehensive Agreement"). In that context, the Debtor Tenants and Landlords have entered into this Stipulation addressing all pending motions between them by resolving issues that can be resolved at this time while deferring litigation of issues that cannot be resolved at this time.

NOW, THEREFORE, subject to approval by this Court at the April 17, 2008 omnibus hearing, the Debtor Tenants and the Landlords hereby stipulate and agree as follows:

1. Purchase Agreement Motion. The hearing on the Purchase Agreement Motion shall be continued to the omnibus hearing scheduled to take place at 10:00 a.m. on May 22, 2008.

2. Lease Performance Motion. The parties hereby agree that the Tax Payment is a post-petition obligation of Quebecor Mid-South. Accordingly, within seven business days after this Court's approval of this Stipulation, Quebecor Mid-South shall make the Tax Payment to the

Tennessee Landlord. The hearing on the Lease Performance Motion, as it relates to the Addition and to the Debtor Tenants' performance of its post-petition obligations under the preceding sentence, and with respect to the Insurance Requirement, shall be continued to the omnibus hearing scheduled to take place at 10:00 a.m. on May 22, 2008.

3. Deadline Extension Motion. Notwithstanding any other order that may be entered concerning the Deadline Extension Motion, (a) the hearing on such motion shall, solely as it relates to the Nashville Lease and the Taunton Lease, be continued to the omnibus hearing scheduled to take place at 10:00 a.m. on May 22, 2008, and (b) as interim relief, the Assumption Deadline in respect of the Nashville Lease and the Taunton Lease shall be extended to and including May 31, 2008, subject to any further order that may be entered at such hearing.

4. Objections to Pending Motions. The deadline for the Debtor Tenants, the Official Committee of Unsecured Creditors and the Ad Hoc Group of Noteholders to file a response to the Purchase Agreement Motion and the Lease Performance Motion, and the deadline for the Landlords to file a response to the Deadline Extension Motion, shall be 2:00 p.m. on May 21, 2008, *provided, however*, that if, prior thereto, the Debtor Tenants file a motion for approval of a Comprehensive Agreement, then the response deadline shall be further extended through and including the hearing on that motion.

5. Purchase Price Process. The Purchase Price Process shall be suspended, and all deadlines thereunder tolled, as of the date of this Stipulation, *provided, however*, that either the Debtor Tenants or the Landlords may, by written notice to the other effective two business days after its receipt (the "Effective Date"), reinstate the Purchase Price Process, in which event all time periods under the Purchase Price Process shall be computed as though the calendar days

from (and including) the date of this Stipulation through (and including) the day before the Effective Date did not exist.

Dated: April 17, 2008.

KDN INVESTMENTS, LLC, and
MELVIN D. SMALL AND SARAH SMALL,
TRUSTEES OF EAGLE DRIVE TRUST,

By their attorneys,

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THE DEBTORS and DEBTORS-IN-POSSESSION

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SO ORDERED.

Dated: New York, New York
April 17, 2008

s/ James M. Peck
Honorable James M. Peck
United States Bankruptcy Judge