

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re

Quebecor World (USA) Inc., et al.,

Debtors.

Chapter 11

Case No. 08-10152 (JMP)

Jointly Administered

Honorable James M. Peck

**STIPULATION AND CONSENT ORDER BETWEEN THE DEBTORS AND LENZ OIL  
REMEDIAL DESIGN/REMEDIAL ACTION PRP GROUP EXECUTIVE COMMITTEE  
REGARDING DEBTORS' INTEREST IN FUNDS HELD IN ENVIRONMENTAL  
REMEDATION ESCROW ACCOUNT**

The above-captioned debtors and debtors-in-possession (the "Debtors") and the Lenz Oil Remedial Design/Remedial Action PRP Group Executive Committee (the "Lenz Committee"), by and through their respective counsel, do hereby stipulate and agree as follows:

**Recitals**

A. On January 21, 2008 (the "Petition Date"), the 53 Debtors filed their voluntary petitions for relief (the "Chapter 11 Cases") under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code").

B. The Debtors are operating their businesses and managing their properties as debtors-in-possession pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code. No request has been made for the appointment of a trustee or examiner in this case.

C. On January 31, 2008, an Official Committee of Unsecured Creditors (the "Creditors' Committee") was appointed.

D. Debtors Quebecor World KRI, Inc. and Quebecor World RAI, Inc. (collectively, the "Quebecor World KRI/RAI Entities") are parties to the August 14, 2002, Lenz Oil Superfund

Site Consent Decree (the “Consent Decree”), entered by the United States District Court for the Northern District of Illinois, Eastern Division in *United States v. Alpha Constr., et al.*, 02 C 3609 (N.D. Ill.) (the “Case”).

E. The Consent Decree resolves, as set forth therein, certain liability of 47 Settling Defendants to the United States on behalf of the United States Environmental Protection Agency (“EPA”) under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 *et seq.*, with respect to the environmental remediation of the Lenz Oil Superfund Site in Illinois (the “Site”).

F. Under the Consent Decree, there are two classes of settling defendants: (1) “Settling Cash Defendants” who resolved their liability at the Site by making a one-time cash payment into an escrow account, referred to as the “Group RD/RA Account”; and (2) “Settling Work Defendants” who are obligated by the Consent Decree to complete remedial design and remedial action at the Site (the “RD/RA Work”). The Settling Cash Defendants and Settling Work Defendants each made a one-time payment of a \$5,000 administrative fee that was deposited into the Group RD/RA Account, along with additional funds obtained from other settlements related to the Site. The Settling Work Defendants can use the funds in the Group RD/RA Account to pay for any response costs, including the RD/RA Work. The Lenz Committee is coordinating and overseeing the work required of the Settling Work Defendants. Under the Consent Decree, the funds in the Group RD/RA Account may only be used to satisfy the financial obligations set forth in the Consent Decree and related documents.

G. The Quebecor World KRI/RAI Entities are Settling Work Defendants under the Consent Decree. Pursuant to an indemnification arising out of a 1996 Stock Purchase Agreement (the “Indemnity”), Ringier A.G. assumed control of the defense of the Case on behalf

of the Quebecor World KRI/RAI Entities. Pursuant to the Indemnity, Ringier A.G. made the one-time \$5,000 administrative fee payment into the Group RD/RA Account, on behalf of the Quebecor World KRI/RAI Entities.

H. Currently, the Lenz Committee estimates that the cost to complete remediation of the Site is approximately \$9 to \$10 million, including EPA oversight costs. As of December 31, 2007, the balance in the Group RD/RA Account was \$5,367,000. EPA has also established a Special Account into which it deposited approximately \$3.1 million collected from potentially responsible parties whose contributions to the Site were deemed to be *de minimis*. Under the Consent Decree, Settling Work Defendants may apply for reimbursement from the Special Account for up to \$3.1 million of costs beyond the amount in the Group RD/RA Account. Each of the Settling Work Defendants was required by the Consent Decree and the Lenz Oil PRP Group RD/RA Agreement to establish financial assurance instruments, one of which was established by Ringier A.G. to meet the Quebecor World KRI/RAI Entities' financial assurances requirements.

I. The Lenz Committee has informed the Debtors that based on reasonable estimates, the Lenz Committee does not anticipate that any funds will remain in the Group RD/RA Account following completion of the RD/RA Work.

J. In order to facilitate RD/RA Work and in furtherance of the Consent Decree, the Lenz Committee has requested that the Debtors agree that the Lenz Committee may continue to use the funds in the Group RD/RA Account to implement and pay for the work required by the Consent Decree.

K. Because Debtors themselves did not contribute any monies to the Group RD/RA Account, and as it is highly likely that all funds in the Group RD/RA Account will be used to pay

for work required under the Consent Decree, and under the Consent Decree such funds must be used for that purpose until all work required under the Consent Decree has been completed, Debtors have no objection to the continued use of the Group RD/RA Account to fund the work required under the Consent Decree.

### **Stipulation and Agreement**

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among the Debtors and the Lenz Committee as follows:

1. The Lenz Committee may withdraw funds from the Group RD/RA Account in accordance with the provisions of, and for the purposes set forth in, the Consent Decree (an “Authorized Withdrawal”). Nothing in this Stipulation and Order shall apply to, or be deemed precedent with respect to, the treatment by this or any court concerning any financial assurance instruments, accounts, funds or reimbursements established pursuant to the Consent Decree other than the Group RD/RA Account.

2. From and after the date of entry of this Stipulation and Order, the Lenz Committee shall not be required to seek relief from the automatic stay of Section 362 of the Bankruptcy Code or otherwise obtain prior approval of the Court in connection with any Authorized Withdrawal.

3. Nothing in this Stipulation and Order shall be deemed to waive any claim by the Debtors or Ringier A.G. to funds in the Group RD/RA Account in the event that there are funds remaining in that account following completion of the RD/RA Work and the payment of all costs and expenses allowable under the terms of the Consent Decree and any related documents.

4. Nothing in this Stipulation and Order shall be deemed to waive any claim by the Debtors or any other party concerning the enforceability and/or applicability of the Consent Decree to the Quebecor World KRI/RAI Entities in light of the filing of these chapter 11 cases.

5. The Debtors are authorized to take all actions necessary to implement the relief granted in this Stipulation and Order.

6. This Stipulation and Order may be executed in any number of counterparts, each of which shall be deemed an original and together constitute one and the same instrument. This Stipulation and Order may not be modified, except in a written instrument signed by authorized representatives of the Debtors and the Lenz Committee.

7. This Stipulation and Order shall be (i) immediately effective and enforceable upon its approval by the Court and (ii) binding on and inure to the benefit of the Debtors and the Lenz Committee and their respective successors and assigns.

8. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Stipulation and Order.

Dated: April , 2008

<p><u>s/ Michael J. Canning</u> Michael J. Canning Joel M. Gross Arnold &amp; Porter LLP 399 Park Avenue New York, NY 10022 Telephone: (212) 715-1000 Facsimile: (212) 715-1399</p> <p><i>Counsel to the Debtors and Debtors-in-Possession</i></p>	<p><u>s/ Lisa A. Epps</u> Lisa A. Epps Spencer Fane Britt &amp; Browne LLP 1000 Walnut Street Suite 1400 Kansas City, MO 64106 Telephone: (816) 474-8100 Facsimile: (816) 474-3216</p> <p><i>Counsel to the Lenz Oil Remedial Design/Remedial Action PRP Group Executive Committee</i></p>
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SO ORDERED:

Dated: New York, New York  
May 14, 2008

s/ James M. Peck  
HONORABLE JAMES M. PECK  
UNITED STATES BANKRUPTCY JUDGE