

**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

**STIPULATION AND CONSENT ORDER BETWEEN THE DEBTORS AND
ECOLOGICAL FIBERS, INC. RESOLVING ECOLOGICAL'S APPLICATION FOR
ALLOWANCE AND IMMEDIATE PAYMENT OF ADMINISTRATIVE EXPENSE
CLAIMS PURSUANT TO 11 U.S.C. § 503(B)(9)**

This stipulation and consent order (the "Stipulation") is entered into and agreed to by and between Quebecor World (USA) Inc., et al. (the "Debtors"), the Debtors in the above-captioned cases, and Ecological Fibers, Inc. ("Ecological") by and through their undersigned attorneys, as follows:

WHEREAS, on January 21, 2008 (the "Petition Date"), the Debtors filed their voluntary petitions in this Court for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). The Debtors' cases are being jointly administered pursuant to an order of this Court, and pursuant to Sections 1107 and 1108 of the Bankruptcy Code the Debtors continue to operate their businesses and manage their properties as debtor-in-possession; and

WHEREAS, on January 31, 2008, an Official Committee of Unsecured Creditors (the "Creditors' Committee") was appointed in these cases; and

WHEREAS, on or about February 29, 2008, Ecological filed an Application for Allowance and Immediate Payment of Administrative Claims Pursuant to 11 U.S.C. § 503(b)(9) (the "503(b)(9) Motion"); and

WHEREAS, on or about March 13, 2008, the Debtors filed an objection to the 503(b)(9) Motion; and

WHEREAS, on or about March 18, 2008, the Creditors' Committee filed a statement of joinder to the Debtors' objection to the 503(b)(9) Motion; and

WHEREAS, Ecological and the Debtors have agreed to resolve the 503(b)(9) Motion on the terms and conditions set forth in this Stipulation.

NOW THEREFORE, it is hereby stipulated that:

1. The Debtors and Ecological hereby agree that Ecological shall have an allowed administrative expense claim in the aggregate amount of \$121,270 against the following Debtors, in the following amounts: Quebecor World Book Services LLC (\$ 40,000); Quebecor World Dubuque Inc.(\$5,201); and Quebecor World Fairfield Inc. (\$76,069) (collectively, the "Administrative Claim").
2. The Administrative Claim shall be paid pursuant to any plan of reorganization confirmed by the Court in these cases or if no such plan is confirmed by the Court, as further ordered by the Court after notice and hearing or as otherwise permitted or provided for by the Order Setting Procedures for Section 503(b)(9) Claims in the Debtors' Cases entered on April 21, 2008.
3. This Stipulation resolves in all respects the 503(b)(9) Motion and any and all objections thereto and any and all other section 503(b)(9) claims Ecological may have against the Debtors and their estates. This Stipulation shall be binding on all parties in interest in the Debtors' cases.
4. This Stipulation may only be amended or otherwise modified by a signed writing executed by the parties.

5. This Stipulation shall be binding upon the representatives, successors and assigns of the parties hereto.
6. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Stipulation.

Dated: New York, New York
July 16, 2008

By: /s/ Paul W. Carey
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By: /s/ Michael J. Canning
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Counsel to the Debtors and Debtors-In-Possession

SO ORDERED.

Dated: New York, New York
July 17, 2008

 s/ James M. Peck
United States Bankruptcy Judge