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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.)	
_____)	Hon. James M. Peck

STIPULATION AND CONSENT ORDER BETWEEN DEBTORS AND THE NEW YORK STATE DEPARTMENT OF TAXATION AND FINANCE REGARDING DEBTORS' PREPETITION AND POSTPETITION SALES TAX LIABILITY AND RESOLUTION OF CLAIMS PURSUANT TO AMENDED ORDER AUTHORIZING THE DEBTORS TO (A) IMPLEMENT PROCEDURES TO DETERMINE PREPETITION AND POSTPETITION SALES TAX LIABILITIES OF CERTAIN DEBTORS PURSUANT TO STATE AND LOCAL VOLUNTARY DISCLOSURE PROCEDURES AND (B) DETERMINE THE AMOUNT OF PREPETITION AND POSTPETITION SALES TAX LIABILITY OF CERTAIN DEBTORS

This stipulation (the "**Stipulation**") is made on the 14th day of July, 2010, by and between Quebecor World (USA) Inc. and its affiliated debtors and debtors-in-possession (collectively, the "**Reorganized Debtors**") and the New York State Department of Taxation and Finance ("**New York**") in order to establish the liquidated and allowed amount of New York's prepetition and postpetition claims for certain taxes, as set forth herein.

A. On January 21, 2008 (the “**Petition Date**”), each of the Debtors filed a petition under chapter 11 of the United States Bankruptcy Code.

B. On October 17, 2009 the Debtors filed a *Motion of the Debtors pursuant to 11 U.S.C. §§ 105(a), 502 and 505 and Federal Rule of Bankruptcy Procedure 9019 to (A) Implement Procedures to Determine Prepetition and Postpetition Sales Tax Liabilities of Certain Debtors pursuant to State and Local Voluntary Disclosure Procedures and (b) Determine the Amount of Prepetition and Postpetition Sales Tax Liability of Certain Debtors* (Docket No. 1219) (the “**Sales Tax Motion**”).

C. The Court granted the Sales Tax Motion on October 30, 2008, and on November 14, 2008 entered an *Amended Order Authorizing the Debtors to (A) Implement Procedures to Determine Prepetition and Postpetition Sales Tax Liabilities of Certain Debtors pursuant to State and Local Voluntary Disclosure Procedures and (b) Determine the Amount of Prepetition and Postpetition Sales Tax Liability of Certain Debtors* (Docket No. 1289) (the “**Sales Tax Order**”).

D. Pursuant to the Sales Tax Order, the Court approved certain Voluntary Tax Disclosure Procedures (as defined in the Sales Tax Motion) for the determination of the Debtors’ prepetition and postpetition sales tax obligations to Taxing Authorities that were subject to the Sales Tax Motion.

E. On December 15, 2008, New York filed the *State of New York’s Notice of Initial Extension of Objection Deadline pursuant to Amended Order Authorizing Procedures to Determine Debtors’ Prepetition and Postpetition Sales Tax Liabilities* (Docket No. 1422).

F. On January 12, 2009, New York filed its *Objection by the New York State Department of Taxation and Finance to Debtors’ Proposed VDA Amount Applicable to the State of New York pursuant to the Amended Order Authorizing Procedures to Determine Debtors’*

Prepetition and Postpetition Sales Tax Liabilities (the “**New York Objection**”), pursuant to which New York objected to certain relief requested in the Sales Tax Motion.

G. Pursuant to the procedures approved in the Sales Tax Order, New York and the Debtors exchanged information and engaged in discussions with respect to the amount of New York’s prepetition and postpetition sales tax claims, and have continued such discussions regarding the final determination of the amount of New York’s prepetition and postpetition sales tax claims pursuant to the Sales Tax Order (the “**New York VDA Sales Tax Claims**”).

H. The Third Amended Joint Plan of Reorganization of Quebecor World (USA) Inc. and Certain Affiliated Debtors and Debtors-in-Possession (the “**Plan**”) was confirmed by order dated July 2, 2009 and became effective on July 21, 2009.

I. The Debtors and New York have agreed to resolve the amount of the New York VDA Sales Tax Claims on the terms and conditions provided for herein.

NOW, THEREFORE, subject to approval by this Court, the Debtors and New York agree as follows:

1. New York is granted an allowed, unsecured claim in the amount of \$1,181,197, which claim shall be entitled to treatment as a priority tax claim under section 507(a)(8) of the Bankruptcy Code, in accordance with the Sales Tax Order and in full satisfaction of all of the Debtors’ obligations with respect to the prepetition New York VDA Sales Tax Claims (the “**Prepetition Claim**”). The Prepetition Claim shall be paid as a single cash payment within ten (10) business days of Court approval of this Stipulation.

2. New York is granted an allowed administrative priority claim in the amount of \$563,288, in accordance with the Sales Tax Order and in full satisfaction of all of the Debtors’ obligations with respect to the postpetition New York VDA Sales Tax Claims (the “**Postpetition**

Claim”). The Postpetition Claim shall be paid as a single cash payment within ten (10) business days of Court approval of this Stipulation.

3. New York will withdraw all proofs of claim that relate to the New York VDA Sales Tax Claims, including but not limited to the claims set forth on Schedule A to this Stipulation.

4. This Stipulation shall be binding upon the representatives, successors and assigns of the parties hereto.

5. This Stipulation may only be amended or otherwise modified by a signed writing executed by the parties.

6. This Stipulation may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument, and it shall constitute sufficient proof of this Stipulation to present copies or facsimiles signed by the parties.

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

Dated: July 14, 2010.

[SIGNATURE PAGE FOLLOWS]

NEW YORK STATE DEPARTMENT OF
TAXATION AND FINANCE

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THE DEBTORS and DEBTORS-IN-POSSESSION

By their attorneys,

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SO ORDERED:

Dated: New York, New York
August 5, 2010

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

Schedule A

CLAIM_NO	NAME 1	ACCOUNTING CLASS	CLAIM_AMT	Claim Type Report Grouping for FS	Comments
9090.00	NYS- DEPARTMENT OF TAXATION AND FINANCE	C - ADMINISTRATIVE	55,010.00	Sales & Use Tax-Motion	
9092.00	NYS- DEPARTMENT OF TAXATION AND FINANCE	C - ADMINISTRATIVE	1,305,397.00	Sales & Use Tax-Motion	
9094.00	NYS- DEPARTMENT OF TAXATION AND FINANCE	C - ADMINISTRATIVE	333,546.00	Sales & Use Tax-Motion	
9096.00	NYS- DEPARTMENT OF TAXATION AND FINANCE	C - ADMINISTRATIVE	174,175.00	Sales & Use Tax-Motion	
9098.00	NYS- DEPARTMENT OF TAXATION AND FINANCE	C - ADMINISTRATIVE	187,058.00	Sales & Use Tax-Motion	
9100.00	NYS- DEPARTMENT OF TAXATION AND FINANCE	C - ADMINISTRATIVE	94,744.00	Sales & Use Tax-Motion	
9102.00	NYS- DEPARTMENT OF TAXATION AND FINANCE	C - ADMINISTRATIVE	48,117.00	Sales & Use Tax-Motion	
9104.00	NYS- DEPARTMENT OF TAXATION AND FINANCE	C - ADMINISTRATIVE	83,095.00	Sales & Use Tax-Motion	
9106.00	NYS- DEPARTMENT OF TAXATION AND FINANCE	C - ADMINISTRATIVE	124,638.00	Sales & Use Tax-Motion	
9108.00	NYS- DEPARTMENT OF TAXATION AND FINANCE	C - ADMINISTRATIVE	1,509,863.00	Sales & Use Tax-Motion	
9110.00	NYS- DEPARTMENT OF TAXATION AND FINANCE	C - ADMINISTRATIVE	188,953.00	Sales & Use Tax-Motion	
9112.00	NYS- DEPARTMENT OF TAXATION AND FINANCE	C - ADMINISTRATIVE	443,868.00	Sales & Use Tax-Motion	
9113.00	NYS- DEPARTMENT OF TAXATION AND FINANCE	A - PRIORITY	2,465,675.00	Sales & Use Tax-Motion	Amended by claim #9147
9114.00	NYS- DEPARTMENT OF TAXATION AND FINANCE	C - ADMINISTRATIVE	478,852.00	Sales & Use Tax-Motion	
9115.00	NYS- DEPARTMENT OF TAXATION AND FINANCE	A - PRIORITY	394,960.00	Sales & Use Tax-Motion	Amended by claim #9157
9116.00	NYS- DEPARTMENT OF TAXATION AND FINANCE	C - ADMINISTRATIVE	76,704.00	Sales & Use Tax-Motion	
9117.00	NYS- DEPARTMENT OF TAXATION AND FINANCE	A - PRIORITY	3,799,524.00	Sales & Use Tax-Motion	Amended by claim #9155
9118.00	NYS- DEPARTMENT OF TAXATION AND FINANCE	C - ADMINISTRATIVE	737,895.00	Sales & Use Tax-Motion	
9119.00	NYS- DEPARTMENT OF TAXATION AND FINANCE	A - PRIORITY	10,271,964.00	Sales & Use Tax-Motion	Amended by claim #9154
9120.00	NYS- DEPARTMENT OF TAXATION AND FINANCE	C - ADMINISTRATIVE	1,994,900.00	Sales & Use Tax-Motion	
9137.01	NYS- DEPARTMENT OF TAXATION AND FINANCE	A - PRIORITY	810,384.00	Sales & Use Tax-Motion-Amended	Amended claim# 9097.
9137.02	NYS- DEPARTMENT OF TAXATION AND FINANCE	B - NON PRIORITY	152,781.00	Sales & Use Tax-Motion-Amended	Amended claim# 9097.
9139.00	NYS- DEPARTMENT OF TAXATION AND FINANCE	C - ADMINISTRATIVE	89,734.00	Sales & Use Tax-Motion	
9140.01	NYS- DEPARTMENT OF TAXATION AND FINANCE	A - PRIORITY	363,979.00	Sales & Use Tax-Motion	
9140.02	NYS- DEPARTMENT OF TAXATION AND FINANCE	B - NON PRIORITY	68,620.00	Sales & Use Tax-Motion	
9141.00	NYS- DEPARTMENT OF TAXATION AND FINANCE	C - ADMINISTRATIVE	84,013.00	Sales & Use Tax-Motion	
9142.01	NYS- DEPARTMENT OF TAXATION AND FINANCE	A - PRIORITY	465,139.00	Sales & Use Tax-Motion	
9142.02	NYS- DEPARTMENT OF TAXATION AND FINANCE	B - NON PRIORITY	87,691.00	Sales & Use Tax-Motion	
9143.00	NYS- DEPARTMENT OF TAXATION AND FINANCE	C - ADMINISTRATIVE	107,364.00	Sales & Use Tax-Motion	
9144.01	NYS- DEPARTMENT OF TAXATION AND FINANCE	A - PRIORITY	242,988.00	Sales & Use Tax-Motion	
9144.02	NYS- DEPARTMENT OF TAXATION AND FINANCE	B - NON PRIORITY	45,810.00	Sales & Use Tax-Motion	
9145.00	NYS- DEPARTMENT OF TAXATION AND FINANCE	C - ADMINISTRATIVE	56,087.00	Sales & Use Tax-Motion	
9146.01	NYS- DEPARTMENT OF TAXATION AND FINANCE	A - PRIORITY	5,655,428.00	Sales & Use Tax-Motion-Amended	Amended claim# 9091.
9146.02	NYS- DEPARTMENT OF TAXATION AND FINANCE	B - NON PRIORITY	1,066,203.00	Sales & Use Tax-Motion-Amended	Amended claim# 9091.
9147.01	NYS- DEPARTMENT OF TAXATION AND FINANCE	A - PRIORITY	2,074,563.00	Sales & Use Tax-Motion	Amends claim #9113

9147.02	NYS- DEPARTMENT OF TAXATION AND FINANCE	B - NON PRIORITY	391,112.00	Sales & Use Tax-Motion	Amends claim #9113
9148.01	NYS- DEPARTMENT OF TAXATION AND FINANCE	A - PRIORITY	238,325.00	Sales & Use Tax-Motion-Amended	Amended claim# 9121.
9148.02	NYS- DEPARTMENT OF TAXATION AND FINANCE	B - NON PRIORITY	44,931.00	Sales & Use Tax-Motion-Amended	Amended claim# 9121.
9149.01	NYS- DEPARTMENT OF TAXATION AND FINANCE	A - PRIORITY	1,445,069.00	Sales & Use Tax-Motion-Amended	Amended claim# 9093.
9149.02	NYS- DEPARTMENT OF TAXATION AND FINANCE	B - NON PRIORITY	272,435.00	Sales & Use Tax-Motion-Amended	Amended claim# 9093.
9151.01	NYS- DEPARTMENT OF TAXATION AND FINANCE	A - PRIORITY	359,998.00	Sales & Use Tax-Motion-Amended	Amended claim# 9103.
9151.02	NYS- DEPARTMENT OF TAXATION AND FINANCE	B - NON PRIORITY	67,870.00	Sales & Use Tax-Motion-Amended	Amended claim# 9103.
9152.01	NYS- DEPARTMENT OF TAXATION AND FINANCE	A - PRIORITY	818,615.00	Sales & Use Tax-Motion-Amended	Amended claim# 9109.
9152.02	NYS- DEPARTMENT OF TAXATION AND FINANCE	B - NON PRIORITY	154,331.00	Sales & Use Tax-Motion-Amended	Amended claim# 9109.
9153.01	NYS- DEPARTMENT OF TAXATION AND FINANCE	A - PRIORITY	754,591.00	Sales & Use Tax-Motion-Amended	Amended claim# 9095.
9153.02	NYS- DEPARTMENT OF TAXATION AND FINANCE	B - NON PRIORITY	142,261.00	Sales & Use Tax-Motion-Amended	Amended claim# 9095.
9154.01	NYS- DEPARTMENT OF TAXATION AND FINANCE	A - PRIORITY	8,642,597.00	Sales & Use Tax-Motion	Amends claim #9119
9154.02	NYS- DEPARTMENT OF TAXATION AND FINANCE	B - NON PRIORITY	1,629,367.00	Sales & Use Tax-Motion	Amends claim #9119
9155.01	NYS- DEPARTMENT OF TAXATION AND FINANCE	A - PRIORITY	3,196,833.00	Sales & Use Tax-Motion	Amends claim #9117
9155.02	NYS- DEPARTMENT OF TAXATION AND FINANCE	B - NON PRIORITY	602,691.00	Sales & Use Tax-Motion	Amends claim #9117
9156.01	NYS- DEPARTMENT OF TAXATION AND FINANCE	A - PRIORITY	539,981.00	Sales & Use Tax-Motion-Amended	Amended claim# 9105.
9156.02	NYS- DEPARTMENT OF TAXATION AND FINANCE	B - NON PRIORITY	101,801.00	Sales & Use Tax-Motion-Amended	Amended claim# 9105.
9157.01	NYS- DEPARTMENT OF TAXATION AND FINANCE	A - PRIORITY	332,310.00	Sales & Use Tax-Motion	Amends claim #9115
9157.02	NYS- DEPARTMENT OF TAXATION AND FINANCE	B - NON PRIORITY	62,650.00	Sales & Use Tax-Motion	Amends claim #9115
9158.01	NYS- DEPARTMENT OF TAXATION AND FINANCE	A - PRIORITY	208,460.00	Sales & Use Tax-Motion-Amended	Amended claim#9101.
9158.02	NYS- DEPARTMENT OF TAXATION AND FINANCE	B - NON PRIORITY	39,300.00	Sales & Use Tax-Motion-Amended	Amended claim# 9101.
9159.01	NYS- DEPARTMENT OF TAXATION AND FINANCE	A - PRIORITY	410,466.00	Sales & Use Tax-Motion-Amended	Amended claim# 9099.
9159.02	NYS- DEPARTMENT OF TAXATION AND FINANCE	B - NON PRIORITY	77,384.00	Sales & Use Tax-Motion-Amended	Amended claim# 9099.
9160.01	NYS- DEPARTMENT OF TAXATION AND FINANCE	A - PRIORITY	6,541,275.00	Sales & Use Tax-Motion-Amended	Amended claim# 9107.
9160.02	NYS- DEPARTMENT OF TAXATION AND FINANCE	B - NON PRIORITY	1,233,210.00	Sales & Use Tax-Motion-Amended	Amended claim# 9107.
9161.01	NYS- DEPARTMENT OF TAXATION AND FINANCE	A - PRIORITY	176,333.00	Sales & Use Tax-Motion	
9161.02	NYS- DEPARTMENT OF TAXATION AND FINANCE	B - NON PRIORITY	33,244.00	Sales & Use Tax-Motion	
9162.00	NYS- DEPARTMENT OF TAXATION AND FINANCE	C - ADMINISTRATIVE	40,701.00	Sales & Use Tax-Motion	
9163.01	NYS- DEPARTMENT OF TAXATION AND FINANCE	A - PRIORITY	1,330,508.00	Sales & Use Tax-Motion	
9163.02	NYS- DEPARTMENT OF TAXATION AND FINANCE	B - NON PRIORITY	250,837.00	Sales & Use Tax-Motion	
9166.00	NYS- DEPARTMENT OF TAXATION AND FINANCE	C - ADMINISTRATIVE	391,994.00	Sales & Use Tax-Motion	
9167.01	NYS- DEPARTMENT OF TAXATION AND FINANCE	B - NON PRIORITY	320,169.00	Sales & Use Tax-Motion	
9167.02	NYS- DEPARTMENT OF TAXATION AND FINANCE	A - PRIORITY	1,698,261.00	Sales & Use Tax-Motion	
9168.00	NYS- DEPARTMENT OF TAXATION AND FINANCE	C - ADMINISTRATIVE	307,109.00	Sales & Use Tax-Motion	
9169.02	NYS- DEPARTMENT OF TAXATION AND FINANCE	A - PRIORITY	388,763.00	Sales & Use Tax-Motion	
9169.03	NYS- DEPARTMENT OF TAXATION AND FINANCE	B - NON PRIORITY	73,292.00	Sales & Use Tax-Motion	
9150.01.01	NYS- DEPARTMENT OF TAXATION AND FINANCE	A - PRIORITY	1,922,996.00	Sales & Use Tax-Motion-Amended	Amended claim# 9111

9150.02.01 NYS- DEPARTMENT OF TAXATION AND FINANCE B - NON PRIORITY 362,537.00 Sales & Use Tax-Motion-Amended Amended claim# 9111.
71,744,329.00