IN THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS **DALLAS DIVISION**

IN RE:

IDE

CASE NO. 09-31828 (BJH)

EARC INC., et al.,	§	
	§	(Chapter 11)
Debtors.	§	(Jointly Administered)

§ §

DECLARATION OF MIKE WOOD – RR DONNELLEY CONTRACT

I, MIKE WOOD, declare under penalty of perjury as follows:

- 1. My name is Mike Wood. I am over the age of 18, am of sound mind and am fully competent to make this declaration. I am familiar with and have personal knowledge of each and every statement of fact set forth in this affidavit. Each and every statement of fact contained herein is true and correct.
- 2. This declaration is provided in support of the Debtor's Motion to Assume Certain Operating Agreements Pursuant to 11 U.S.C. §365 and Federal Rule of Bankruptcy Procedure 6006 to explain why Idearc Media LLC ("Idearc") seeks assumption of the printing and publishing contract detailed below.
- 3. I am a Senior Staff Consultant for Contract and Vendor Management and Category Manager of Print and Distribution for Idearc Media. Since 1996, my duties have included negotiating the prices and drafting the terms and conditions of Idearc's printing purchasing agreements.
- 4. Idearc has a written, executed printing contract with RR Donnelley & Sons Company ("RR Donnelley"). The contract between RR Donnelley and Idearc is dated February 22, 2006, expires on February 21, 2016 and provides for RR Donnelley to print all of Idearc's telephone directories. There are only two printers in North America with the capability to produce Idearc's telephone directories at the necessary quantity, quality and specifications.
- 5. The prices specified in the contract are below market rates for like volumes under similar terms and conditions and take volume into account. Renegotiation of the contract would most likely result in Idearc paying a higher cost per unit because all of RR Donnelley's costs under the contract, such as ink and labor, have increased since the date of the contract.
- 6. Without the benefit of this printing contract, production of Idearc's telephone directories would be delayed and additional costs would be incurred in order to secure another supplier.
- 7. As of March 31, 2009 (the "Petition Date"):

DECLARATION OF MIKE WOOD - RR DONNELLEY CONTRACT

- Idearc was not in default under this contract;
- The unpaid amount due from Idearc to RR Donnelley is \$1,210,387.53; and
- The contract has not expired or terminated.
- 8. Idearc intends to continue to perform in accordance with its agreement with RR Donnelley and there is no need for further assurance of Idearc's performance.

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

Executed on May 20, 2009

<u>/s/ Mike Wood</u> Mike Wood