

EXHIBITS TO THE DECLARATION OF BRIAN T. DOWNING IN
SUPPORT OF RECORDED BOOKS, LLC'S MOTION FOR MORE
DEFINITE STATEMENT, FILED JULY 12, 2007

EXHIBIT A

Wednesday, April 25, 2007

To: All Sales Reps, Customer Service
From: Brian Downing

MEMO REGARDING NETLIBRARY, INC.

Hello Everyone,

Last week Recorded Books ended its relationship with NetLibrary, our technical services vendor for downloadable audio. It is effective immediately. The essential effect of this move is as follows:

What Changes:

- We will no longer sell any new contracts for our former caudiobook service as of Monday, April 23, 2007.
- We will not process or honor renewals of contracts as of Monday, April 23, 2007.

What Will Not Change:

- Existing contracts, including multi-year contracts will go on without any changes. New content will be supplied to those libraries as before, throughout the length of their agreement.

For contracts that are "sold" on a verbal basis, but have yet to be signed, this is the procedure:

- 1) Immediately contact the customer and let them know the following: Recorded Books has ended its relationship with NetLibrary. If the customer wishes to proceed with the existing contract process, we will submit it to NetLibrary and honor it if NetLibrary accepts it. It is however, not completely within our control. We apologize in advance for any inconvenience. (PLEASE NOTE: Stick to that script, and leave the decision to the customer).
- 2) As mentioned, if the customer chooses to send in the contract, we will submit it to NetLibrary. But just to re-emphasize, **YOU ARE NOT TO INITIATE ANY NEW SALES ACTIVITY WITH THE NETLIBRARY PRODUCT.**

All this brings to mind the perfectly appropriate question, "What's next?":

Recorded Books hopes to announce a new downloadable audio direction in June. Right now no decision has been made, and there are several options available.

This is far from a complete answer, I realize, but it is the only one I have. It is inappropriate to speculate, and it would be irresponsible to insinuate anything else to a

customer. Any insinuations or deviation from the above would force me or your manager to institute severe disciplinary action. The answer does not change because of urgency from you or your customer (meaning that if you have a customer making a decision now, you will not get a different answer than above). In the best of all possible worlds, we would discontinue one product and have a new one ready the same day. It just doesn't always workout that way sometimes, and this is one of those times.

It is very important that we end this relationship with NetLibrary with dignity, class and adherence to the contract. Here are the important points:

- Speak no ill. The NetLibrary relationship was very important to Recorded Books over the past few years and it allowed us to be pioneers in a new digital age. Both organizations have expressed a desire to head in a different direction, and now we are doing that. We wish NetLibrary well. If a customer does express anything negative you should express sympathy, but not say anything to disparage NetLibrary in any way.
- It is very important now, and when we roll out a new product, that you not do anything to interfere with customers in a NetLibrary contract, whether a single year or multi-year contract. The customer's contract is with NetLibrary, and we can do nothing or say nothing about it.

Well, that's all I have for today folks. Please contact me or your manager with any questions or comments.

All the best,

Brian

EXHIBIT B

Dear Valued Customer,

Mary Smith

From: Brian Downing [msmith@recordedbooks.com]
Sent: Friday, May 04, 2007 2:59 PM
To: REDACTED
Subject: NetLibrary/Recorded Books eAudio

Dear Valued Customer,

I am writing to inform you that Recorded Books is ending its relationship with NetLibrary on a going forward basis.

For those customers in an agreement, whether it is one year or multi-year, nothing will change. Recorded Books will continue to provide customer support as in the past. We will also continue to refresh your collection with great new content every month. You should not see a single difference in the service you have been offering. Your agreement will go on as scheduled, and end as scheduled at the end of your subscription term.

For those customers wishing to renew, please do so by May 18th, 2007. Please contact us if for some reason you cannot meet that date.

After a cut off date of May 18th or otherwise agreed to, it will not be possible to renew the present service. Obviously the marketplace offers you choices - now with NetLibrary, and at some point in the future with Recorded Books. It just won't be together.

Please contact me with any questions or comments .

Very best,

Brian T. Downing
V.P., Publisher
Recorded Books, LLC
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