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FILED
Clerk
District Court
MAY 01 2025
for the Northern Mariana Islands
By JP
(Deputy Clerk)

IN THE UNITED STATES DISTRICT COURT

FOR THE NORTHERN MARIANA ISLANDS

BANKRUPTCY DIVISION

In re:

IMPERIAL PACIFIC INTERNATIONAL (CNMI) LLC,

Debtor and Debtor in Possession.

Case No. 1:24-bk-00002

Chapter 11

ORDER GRANTING JOINT MOTION OF DEBTOR AND OFFICIAL COMMITTEE OF GENERAL UNSECURED CREDITORS FOR ORDER (I) APPROVING THE SALE OF SUBSTANTIALLY ALL OF THE DEBTOR'S ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, AND ENCUMBRANCES PURSUANT TO 11 U.S.C. § 363, SUBJECT TO OVERBIDS; AND (II) AUTHORIZING THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND CURE AMOUNTS ASSOCIATED THEREWITH

Hearing Date and Time (ChST):
Date: April 29, 2025
Time: 9:00 a.m.
Place: 3rd Floor Courtroom
1132 Bishop Street, Suite 250
Honolulu, HI 96813
Judge: Hon. Robert J. Faris

On April 29, 2025 at 9:00 a.m. (ChST) (the "Sale Hearing"), a hearing was held before the Honorable Robert J. Faris, United States Bankruptcy Judge, to consider the *Joint Motion of Debtor and Official Committee of General Unsecured Creditors for Order (I) Approving the Sale of Substantially All of the Debtor's Assets Free and Clear of All Liens, Claims, and Encumbrances Pursuant to 11 U.S.C. § 363, Subject to Overbids; and (II) Authorizing the Assumption and Assignment of Certain Executory Contracts and Cure Amounts Associated Therewith* [Dkt. No. 367] (the "Motion")[1] filed by the above-captioned debtor and debtor-in-possession (the "Debtor") and the Official Committee of General Unsecured Creditors (the "Committee"). All appearances are reflected on the record.

A. The Court having reviewed and considered (i) the Motion and all relief requested therein and related thereto, and (ii) the objections thereto [Dkt. Nos. 388, 390, 391, and 392], (iii) the replies filed by the Debtor and the Committee [Dkt. Nos. 410 and 411], (iv) the *Submission of Asset Purchase Agreement* by and between Team King Investment (CNMI), LLC and the Debtor [Dkt. No. 427], (v) the *Stipulation Resolving Section 363 Objections to Sale Motion* (the "Sale Stipulation") [Dkt. No. 428], (vi) the *Declaration of Hiroshi Kaneko in Support of Team King Investment (CNMI), LLC in Support of Good Faith Purchaser Finding Pursuant to Section 363(m) of the Bankruptcy Code* [Dkt. No. 367] filed on February 14, 2025 (the "Kaneko Declaration"); (vii) all other related pleadings on the record, and (viii) the statements of counsel and the evidence presented at the Sale Hearing, and it appearing that the Court has jurisdiction over this matter, and that all parties with any interest in all the Debtor's assets and properties, both tangible and intangible, including the Casino License with an option to acquire, that are in existence as of the closing of the sale, other than any Excluded Assets as provided in the APA (as defined below) (the "Assets"), by failing to object to the sale, have consented thereto; and it further appearing that the legal and factual bases set forth in the Motion and at the Sale Hearing establish just cause for the relief granted herein; and after due deliberation thereon; and good and sufficient cause appearing therefor,

[1] All capitalized terms used herein shall have the meaning ascribed to them in the Motion, unless otherwise defined.

THE COURT HEREBY FINDS AS FOLLOWS[2]:

B. This Court has jurisdiction over the Motion under 28 U.S.C. §§ 157 and 1334, and this matter is a core proceeding under 28 U.S.C. § 157(b)(2)(A), (N) and (O).

C. Venue of this case and the Motion is proper under 28 U.S.C. §§ 1408 and 1409.

D. The statutory predicates for relief sought in the Motion are Sections 105, 363, and 365 of the United States Bankruptcy Code (the "Bankruptcy Code") and Rules 2002, 6004, 6006, 9006, and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

Final Order

E. This Order constitutes a final order within the meaning of 28 U.S.C. § 158(a). Notwithstanding Bankruptcy Rules 6004(h) and 6006(d), and to any extent necessary under Bankruptcy Rule 9014 and Rule 54(b) of the Federal Rules of Civil Procedure, as made applicable by Bankruptcy Rule 7054, the Court expressly finds that there is no just reason for delay in the implementation of this Order, and expressly directs entry of judgment as set forth herein.

Notice

F. As evidenced by the notice of the Sale Hearing [Dkt. No. 369] and the certificate of service filed in connection with the Motion [Dkt. No. 373], and based upon evidence submitted in connection therewith and the representations of counsel at the hearing on the Motion: (i) due, proper, timely, adequate and sufficient notice to all interested parties of the Motion and notice of the Sale Hearing has been provided in accordance with 11 U.S.C. §§ 102(1), 363, 365 and Bankruptcy Rules 2002, 6004, 6006, 9006, and 9014, and all other provisions of the Bankruptcy Rules and/or the Local Bankruptcy Rules governing the transactions that are the subject of the Motion; (ii) such notice was good, sufficient and appropriate; and (iii) the foregoing notices were good, sufficient, and appropriate under the circumstances, and no other or further notice of the

[2] The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. All findings of fact and conclusions of law announced by the Court at the Sale Hearing in relation to the Motion are hereby incorporated herein to the extent not inconsistent herewith. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

Motion, the related auction (the "Auction") and sale of the Assets (the "Sale"), and the Sale Hearing shall be required.

G. A reasonable opportunity to object and be heard with respect to the Sale and the Motion and the relief requested therein has been afforded to all interested persons and entities.

The Good Faith of Buyer

H. Pursuant to 11 U.S.C. § 363(b) and (f) and Bankruptcy Rule 6004(f), the sale of the Assets, after an auction, to Team King Investment (CNMI), LLC, or its successor, designee, or assign (the "Buyer"), for Twelve Million Nine Hundred and Fifty Thousand and No/100 Dollars ($12,950,000.00) (the "Purchase Price"), plus an option to purchase the Casino License, and assumption of certain liabilities of the Debtor, is a sound and prudent exercise of the Debtor's reasonable business judgment and is in the best interests of the estate and its creditors. No party in interest has furnished the Court with sufficient evidence or reasons to challenge the reasonableness of the Debtor's business judgment in this regard.

I. The consideration to be paid by the Buyer with respect to the purchase of the Assets constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and the laws of the United States, any state, territory or possession, and ~~or~~ the Commonwealth~~District~~ of the Northern Mariana Islands.

J. The *Amended Asset Purchase Agreement* dated February 20, 2025 entered into by and between the Debtor and the Buyer (as may be amended, the "APA") was in substantially the same form as the asset purchase agreement the Debtor negotiated with its stalking horse bidder and was proposed, negotiated and entered into by the parties thereto without collusion, in good faith and from arm's length bargaining positions. Neither the Debtor nor the Buyer has engaged in any conduct that would cause or permit the APA or the sale of the Assets to the Buyer to be invalidated or avoided under 11 U.S.C. § 363(n). Specifically, among other things, including the representations of the Debtor and the Buyer in open court, the Declaration of Howyo Chi filed in support of the Motion (the "Chi Declaration"), and the Kaneko Declaration: (i) the Debtor was free to negotiate with any other party that expressed an interest in purchasing the Assets; (ii) the negotiation and execution of the APA and all aspects of the sale of the Assets were conducted in

good faith; and (iii) the ultimate sale price was the result of a duly noticed and fair bidding and auction process set forth in the Bid Procedures approved by the Court [Dkt. No. 340]. Accordingly, upon consummation of the sale of the Assets as set forth in the APA, the Buyer will be a buyer in good faith within the meaning of 11 U.S.C. § 363(m) and therefore entitled to the protections afforded thereby.

The Highest and Best Offer

K. The APA constitutes the highest and best offer for the Assets being sold under the APA, and will provide a greater recovery for the estate than would be provided by any other available alternative. The terms and conditions of the APA are fair and reasonable and entry into the APA by the Debtor is a sound and prudent exercise of its reasonable business judgment and the Sale is in the best interests of the estate and creditors.

L. The Debtor and the Committee have demonstrated good, sufficient and sound business purposes and justification for the Sale and the terms of the Sale as described in the APA are outside the ordinary course of business pursuant to 11 U.S.C. § 363(b).

M. The process set forth in the Bid Procedures and the Auction afforded a full, fair and reasonable opportunity for any person or entity to make a higher or otherwise better offer to purchase the Assets.

No Fraudulent Transfer or Successor Liability

N. The APA has not been entered into for the purpose of hindering, delaying or defrauding creditors under the Bankruptcy Code and/or under the laws of the United States, any state, territory, possession, or the ~~District~~ Commonwealth of the Northern Mariana Islands.

O. The transfer of the Assets to the Buyer concurrently with the closing of the sale in accordance with the APA and Motion will constitute a legal, valid and effective transfer of the Assets and shall vest with or vest in Buyer, all rights, title and interests of the estate to the Assets free and clear of all liens, liabilities, claims and encumbrances of any kind and nature, wherever located and whether not existing or hereafter acquired, including but not limited to any liabilities or obligations of the Debtor.

P. Neither the Buyer nor any of its affiliates are a mere continuation of the Debtor or its estate, and there is no continuity of enterprise nor common identity between the Buyer, any of its affiliates and the Debtor. Neither the Buyer nor any of its affiliates are holding themselves out to the public as a continuation of any of the Debtor or the estate. Neither the Buyer nor any of its affiliates are a successor to any of the Debtor or the estate, and none of the transactions contemplated by the APA, including, without limitation, the Sale and the assumption and assignment of each executory contract listed in Schedule 2.01(a) as annexed to the APA (the "Assigned Contracts"), amounts to a consolidation, merger, or *de facto* merger of the Buyer or any of its affiliates with or into the Debtor or the estate.

Validity of Transfer

Q. Subject only to the entry of this Order, the Debtor has (or at all relevant times had) (i) full power and authority to execute and deliver the APA and all other documents contemplated thereby, (ii) all authority necessary to consummate the transactions contemplated by the APA, and (iii) taken all action necessary to authorize and approve the APA and the consummation of the transactions contemplated thereby. Subject only to the entry of this Order, (a) the Debtor's sale of the Assets has been duly and validly authorized, and (b) no consents or approvals, other than those expressly provided for in the APA, are required for the Debtor to consummate the Sale and the APA and the transactions contemplated thereby.

R. The estate is the sole and lawful owner of the Assets. Subject to Section 363(f) of the Bankruptcy Code, the transfer of the Assets to Buyer will be, as of the date of the closing of the transactions contemplated by the APA (the "Closing Date"), a legal, valid, and effective transfer of the Assets, which transfer vests or will vest Buyer with all right, title, and interest of the estate to the Assets free and clear of any such interest in such assets, including without limitation (i) all liens and encumbrances of any kind and nature, including but not limited to any inchoate liens, judgment liens, tax liens, or any other form of security interests, relating to, accruing or arising any time prior to the Closing Date (collectively, "Liens"), and (ii) all debts arising under, relating to, or in connection with any act of the Debtor or claims (as that term is defined in Section 101(5) of the Bankruptcy Code), liabilities, obligations, demands, guaranties, options, rights, contractual

commitments, restrictions, interests and matters of any kind and nature, whether arising prior to or subsequent to the commencement of this case, and whether imposed by agreement, understanding, law, equity or otherwise (including, without limitation, rights with respect to Claims (as defined below)) and Liens that purport to give to any party a right of setoff or recoupment against, or a right or option to effect any forfeiture, modification, profit sharing interest, right of first refusal, purchase or repurchase right or option, or termination of, the estate's or Buyer's interests in the Assets, or any similar rights, or in respect of taxes, restrictions, rights of first refusal, charges of interests of any kind or nature, if any, including, without limitation, any restriction of use, voting, transfer, receipt of income or other exercise of any attributes of ownership) (collectively, as defined in this clause (ii), "Claims"), relating to, accruing or arising any time prior to the Closing Date, except as otherwise provided in the APA.

Section 363(f) is Satisfied

S. The conditions of section 363(f) of the Bankruptcy Code have been satisfied in full; therefore, the Debtor may sell the Assets free and clear of any interest of any kind and nature in the Assets, wherever located and whether not existing or hereafter acquired, including but not limited to any liabilities or obligations of the Debtor.

T. Buyer would not have entered into the APA and would not consummate the transactions contemplated thereby if the sale of the Assets to Buyer were not free and clear of all such interests, Liens and Claims, except as otherwise provided in the APA. Unless as otherwise set forth in the APA, Buyer shall not be responsible for any Liens or Claims, including in respect of the following: (i) any labor or employment agreements; (ii) all mortgages, deeds of trust and security interests; (iii) any pension, welfare, compensation or other employee benefit plans, agreements, practices and programs, including, without limitation, any pension plan of the estate; (iv) any other employee, worker's compensation, occupational disease or unemployment or temporary disability related claim, including, without limitation, claims that might otherwise arise under or pursuant to (a) the Employee Retirement Income Security Act of 1974, as amended, (b) the Fair Labor Standards Act, (c) Title VII of the Civil Rights Act of 1964, (d) the Federal Rehabilitation Act of 1973, (e) the National Labor Relations Act, (f) the Worker Adjustment and

Retraining Act of 1988, (g) the Age Discrimination and Employee Act of 1967 and Age Discrimination in Employment Act, as amended, (h) the Americans with Disabilities Act of 1990, (i) the Consolidated Omnibus Budget Reconciliation Act of 1985, (j) state discrimination laws, (k) state unemployment compensation laws or any other similar state laws, or (l) any other state or federal benefits or claims relating to any employment with the Debtor or any of its predecessors; (v) Claims or Liens arising under any Environmental, Health and Safety Laws with respect to any assets owned or operated by the Debtor, the estate or any corporate predecessor at any time prior to the Closing Date and any liabilities of the Debtor other than as provided in the APA; (vi) any bulk sales or similar law; (vii) any tax statutes or ordinances, including, without limitation, the Internal Revenue Code of 1986, as amended; and (viii) any theories of successor liability or causes of action related thereto.

U. The Debtor may sell the Assets free and clear of all Liens and Claims against the estate or the Assets (except as otherwise provided in the APA) because, in each case, one or more of the standards set forth in Section 363(f)(1)-(5) of the Bankruptcy Code has been satisfied. Those holders of Liens or Claims, including the Commonwealth of the Northern Mariana Islands (the "Commonwealth") and Joshua Gray ("Gray"), have withdrawn their objections to the Motion. Thus, no holders of Liens or Claims against the estate or the Assets objected to the sale of the Assets and therefore such holders of Liens or Claims are deemed to have consented pursuant to Section 363(f)(2) of the Bankruptcy Code. All holders of Liens or Claims (except as otherwise provided in this Order) will have their Liens or Claims, if any, in each instance against the Debtor or the Assets, attach to the net proceeds of the Sale ultimately attributable to the Assets, in which such creditor or claimant alleges a Lien or Claim, in the same order of priority, with the same validity, force and effect that such Liens or Claims had prior to the Sale, and which shall be payable out of the cash proceeds of the Sale without further order of the Court, subject to any claims and defenses the estate may possess with respect thereto.

V. The Sale does not constitute a *sub rosa* chapter 11 plan for which approval has been sought without the protections that a disclosure statement would afford. The Sale neither

impermissibly restructures the rights of the estate's creditors nor impermissibly dictates the terms of a liquidating plan of reorganization for the estate.

W. Other good and sufficient cause exists for granting the Motion.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

General Provisions

1. The Motion is GRANTED.

2. The Sale Stipulation is approved in its entirety.

3. All objections to the Motion or the relief requested therein that have not been withdrawn, waived, or settled as announced to the Court at the Sale Hearing or by stipulation filed with the Court, and all reservations of rights included therein, are hereby denied and overruled with prejudice. Those parties who did not object or withdrew their objection to the Motion are deemed to have consented to all transactions contemplated hereby, including without limitation, pursuant to Section 363(f)(2) of the Bankruptcy Code.

Approval of the APA

4. The APA, and all other ancillary documents, including the annexed Schedules, and all of the terms and conditions thereof, are hereby approved in their~~its~~ entirety.

5. Pursuant to 11 U.S.C. § 363(b) and (f), the Debtor is authorized to sell and transfer the Assets to the Buyer or its successors or assigns for the Purchase Price, plus an option to purchase the Casino License and assumption of certain liabilities of the Debtor, free and clear of all liens, claims, and encumbrances of any kind and nature.

Approval of the Sale Stipulation and Distribution of Sale Proceeds

6. The Sale Stipulation entered into between the Debtor, the Committee, the Commonwealth, the Commonwealth Casino Commission (the "CCC"), Gray, U.S.A. Fanter Corporation, Ltd. ("Fanter"), and the Law Office of Michael W. Dotts ("Dotts," Gray, Dotts and Fanter being collectively referred to as the "Secured Creditors") is approved in its entirety.

7. Upon Closing of the sale of the Assets, the Escrow Agent shall earmark, set aside and pay from the sale proceeds (the "Sale Proceeds"):

a. $5,000,000.00 (the "DRT Payment") to the Commonwealth in complete satisfaction of POC No. 26 (the "DRT Claim") filed by the Department of Revenue & Taxation of the Commonwealth (the "DRT") in the claims register maintained by the Debtor's claims agent, Verita Global (the "Claims Register"), but without prejudice to the distribution of any proceeds from any pre-Petition sale of the Debtor's assets;

b. $1,500,000.00 (the "Secured Creditor Payment") for distribution to the Secured Creditors (as they instruct in writing) in complete satisfaction of any and all secured claims the Secured Creditors have asserted or may assert in the Debtor's Chapter 11 Case, but without prejudice to their resulting unsecured deficiency claims set forth in paragraph I~~8~~ below or the distribution of any proceeds from any pre-Petition sale of the Debtor's assets;

c. the remaining assets to be held in trust by the Escrow Agent and to be distributed in accordance with the priority scheme under applicable law or Bankruptcy Court order, including but not limited to: (i) the remaining Sale Proceeds (the "Remaining Sale Proceeds"), (ii) the Excluded Assets as defined in the APA (including avoidance actions under chapter 5 of the Bankruptcy Code), and (iii) the Casino License Fee in the event Team King exercises the Casino License Option.

8. Upon receipt of the Secured Creditor Payment of no less than $1,500,000.00, the Secured Creditors shall, within fourteen (14) days of receipt of payment, amend their respective POCs to assert general unsecured claims only which shall be deemed allowed for all purposes in the Debtor's Chapter 11 Case.

9. Upon receipt of the DRT Payment of no less than $5,000,000.00, the Commonwealth shall, within fourteen (14) days of receipt of payment, amend the DRT Claim to the amount of $0; provided that in the event DRT fails to file an amended POC, the DRT Claim shall nevertheless be deemed amended in accordance with this provision.

10. DRT shall subordinate 70% of POC No. 27 (the "DRT Unsecured Claim") in the Claims Register (the "Subordinated DRT Portion") and will be entitled to 30% of the DRT Unsecured Claim for purposes of receiving its *pro rata* distribution to general unsecured creditors from the Remaining Sale Proceeds and the Excluded Assets (the "Initial DRT Distribution"). Additionally, in the event the Casino License Option is exercised, DRT shall be paid a catch-up payment on account of the Subordinated DRT Claim from the distribution of the Casino License Fee, which is calculated based on the *pro rata* distribution it would have received on account of the Subordinated DRT Portion (the "DRT Catchup Payment"), and DRT shall be entitled to the full amount of the DRT Unsecured Claim (minus the Initial DRT Distribution and the DRT Catchup Payment) for purposes of receiving its *pro rata* distribution to general unsecured creditors from the Casino License Fee.

11. POC No. 25 in the Claims Register filed by the CCC (the "CCC Claim") shall be entitled to receive a *pro rata* distribution from the Remaining Sale Proceeds and the Excluded Assets; however, it shall not be entitled to receive any distribution from the Casino License Fee. Notwithstanding the foregoing, in the event the buyer exercises the Casino License Option and an agreement as to the Casino License is reached, the CCC will waive its right to receive any distributions from the Debtor or the estate and it shall amend the CCC Claim to the amount of $0; provided that in the event the CCC fails to file an amended POC, the CCC Claim shall nevertheless be deemed amended in accordance with this provision.

Transfer of the Assets

12. The Debtor is authorized and directed to take any and all actions necessary or appropriate to (i) consummate the sale of the Assets to the Buyer, (ii) fully perform and implement the APA and consummate the closing as contemplated under the APA (the "Closing") of the transactions contemplated in the Motion, the APA, the Sale Stipulation, and this Order; and (iii) take any and all further actions as may be reasonably necessary to consummate any of the transactions contemplated in the Motion, the APA, the Sale Stipulation, and this Order. Buyer shall not be required to seek or obtain relief from the automatic stay under section 362 of the Bankruptcy Code to enforce any of its remedies under the APA or any other Sale related document. The

automatic stay imposed by section 362 of the Bankruptcy Code is modified solely to the extent necessary to implement the provisions of this Order.

13. The sale of the Assets to the Buyer in accordance with this Order shall be free and clear of all Liens, liabilities, claims encumbrances and/or interests of any kind and nature to the fullest extent permitted under 11 U.S.C. § 363(f) with any such Liens to attach to the proceeds of the sale to the same extent, priority, and validity as they did with respect to the Assets prior to the sale of the Assets.

14. This Order is and shall be effective as a determination that, upon and subject to the occurrence of the Closing, all Liens existing as to the Assets prior to the Closing have been and hereby are adjudged and declared to be unconditionally released, terminated and discharged.

15. Other than expressly provided for in the APA, the Buyer has not assumed any liabilities of the estate and/or the Debtor.

16. The Debtor is authorized to execute any such releases, termination statements, assignments, consents or instruments on behalf of any third party, including the holders of any Liens, which are necessary or appropriate to effectuate or consummate the transactions contemplated in the Motion and the APA. Each and every federal, state, and local governmental agency or department is hereby directed to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the APA.

17. The Debtor is hereby authorized to execute the APA, or other related documents that are reasonably necessary or appropriate to complete the Sale, and to undertake such other actions as may be reasonably necessary or appropriate to complete the Sale.

18. The APA and any related documents or other instruments may be modified, amended or supplemented by the parties thereto, in a writing signed by both parties without further order of the Court, provided that any such modification, amendment or supplement does not have a material adverse effect on the estate.

19. The sale of the Assets to the Buyer constitutes a legal, valid and effective transfer, sale and assignment of the Assets, and shall vest the Buyer with all rights, title and interests of the Debtor and the estate in and to the Assets, free and clear of all Liens of any kind and nature.

20. From and after the date of entry of this Order, all persons or entities holding any Liens of any kind or nature against the estate or with respect to the Assets are hereby restrained and enjoined from taking or causing to be taken any action which would interfere with the transfer of the Assets to the Buyer and such persons or entities shall be barred from asserting such claims, liens or interests against the Buyer.

21. This Order is and shall be binding upon and govern the acts of all persons and entities, including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title; and each of the foregoing persons and entities is hereby directed to accept for filing any and all of the documents and instruments necessary and appropriate to consummate the transactions contemplated by the APA.

22. If any person or entity which has filed statements or other documents or agreements evidencing Liens on, or interests in, all or any portion of the Assets shall not have delivered to the Debtor prior to the Closing, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, releases of liens and easements, and any other documents necessary for the purpose of documenting the release of all liens or interests which the person or entity has or may assert with respect to all or any portion of the Assets, the Debtor and Buyer is hereby authorized, on behalf of the estate and its creditors, to execute and file such statements, instruments, releases and other documents on behalf of such person or entity with respect to the Assets.

Assumption and Assignment of Executory Contracts

23. Upon the Closing Date, pursuant to Sections 105(a), 363, and 365 of the Bankruptcy Code, the Debtor is authorized to (a) assume and assign each of the Assigned Contracts to the Buyer free and clear of all Claims and (b) execute and deliver to the Buyer such documents or other instruments as may be reasonably requested by Buyer.

24. The Buyer has provided adequate assurance of its future performance under each Assigned Contract and the proposed assumption and assignment of the Assigned Contracts satisfies the requirements of the Bankruptcy Code including, *inter alia*, Sections 365(b)(1) and (3) and 365(f) of the Bankruptcy Code to the extent applicable.

25. The cure amounts, if any, identified in Exhibit 3 to the Chi Declaration and as annexed to the Motion (the "Cure Costs") are the sole amounts necessary to be paid upon assumption of the Assigned Contracts under Sections 365(b)(1)(A) and (B) and 365(f)(2)(A) of the Bankruptcy Code.

26. Upon the payment of the Cure Costs, if any, the Assigned Contracts shall remain in full force and effect, and no default shall exist under the Assigned Contracts nor shall there exist any event or condition which, with the passage of time or giving of notice, or both, would constitute such a default. The Cure Costs shall not be subject to further dispute or audit, including, without limitation, any based on performance prior to the Closing Date, irrespective of whether such Assigned Contract contains an audit clause. After the payment of the Cure Costs, if any, the Buyer shall not have any liabilities to the counterparties to the Assigned Contracts other than the Buyer's obligations under the Assigned Contracts that accrue and become due and payable after the Closing Date.

27. The Assigned Contracts are valid and binding, in full force and effect and, except as provided in this Order, enforceable in accordance with their terms.

28. There shall be no assignment fees, increases, or any other fees charged to the Buyer as a result of the Sale and assignment of the Assigned Contracts.

29. Any provision in any Assigned Contract that purports to declare a breach or default as a result of a change of control in respect of the Debtor is unenforceable and all Assigned Contracts shall remain in full force and effect. No sections or provisions of any Assigned Contract that purports to (i) prohibit, restrict, or condition the Debtor's assignment of the Assigned Contract; (ii) authorize the cancellation, termination or modification of any Assigned Contract based on the filing of a bankruptcy case, the financial condition of the Debtor, or similar circumstances; or (iii) provide for additional payments, penalties, charges, or other financial accommodations in favor of

the non-debtor third party to the Assigned Contracts upon the occurrence of the conditions set forth in subsections (i) and (ii) above, shall have any force and effect with respect to the sale and assignment authorized by this Order, and such provisions constitute unenforceable anti-assignment provisions under Bankruptcy Code § 365(f) and/or are otherwise unenforceable under Bankruptcy Code § 365(e).

30. The Cure Costs concerning the Assigned Contracts, shall be in full and complete satisfaction of the Debtor's and Buyer's obligations existing as of the Closing or arising by reason of the Closing, including but not limited to any assignment fee, default, or breach under, or any claim or pecuniary loss, or condition to assignment, existing as of the Closing or such other date as to when such contract is assumed and assigned or arising under or related to Assigned Contracts.

31. Pursuant to Bankruptcy Code §§ 363(b), (f) and (m) and 365(a), (b) and (f), the assumption, assignment and sale to the Buyer of the Assigned Contracts by the Debtor shall be effected by this Order, effective as of Closing.

32. All counterparties to the Assigned Contracts shall cooperate and expeditiously execute and deliver, upon the reasonable requests of the Buyer, and shall not charge the Debtor or the Buyer for any instruments, applications, consents or other documents which may be required or requested by any public or quasi-public authority or other party or entity to effectuate the applicable transfers in connection with the Sale of the Assets.

Break-Up Fee

33. The request in the Motion for the approval and payment of a Break-up Fee is withdrawn, without prejudice to Loi Lam Sit seeking its approval in a separate motion.

Other Provisions

34. The transactions contemplated by the APA are undertaken by Buyer without collusion and in good faith, as that term is defined in Section 363(m) of the Bankruptcy Code, and accordingly, the reversal or modification on appeal of the authorization provided herein to consummate the Sale shall not affect the validity of the Sale, unless such authorization and such Sale are duly stayed pending such appeal. Buyer is a good faith buyer within the meaning of section

363(m) of the Bankruptcy Code and, as such, is entitled to the full protections of section 363(m) of the Bankruptcy Code.

35. The consideration provided by the Buyer for the Assets shall be deemed to constitute reasonably equivalent value and fair consideration under the Bankruptcy Code.

36. The Buyer and the Debtor have not engaged in any conduct that would allow the transactions contemplated in the Motion and/or the APA to be set aside under 11 U.S.C. § 363(n).

37. The Bankruptcy Court retains jurisdiction to: (a) interpret, implement and enforce the terms and conditions of this Order; and (b) resolve any disputes arising under or related to this Order.

38. The terms and provisions of this Order shall be binding in all respects upon, and shall inure to the benefit of, the estate and creditors, the Buyer, their respective successors and assigns and any affected third parties.

39. The failure to approve explicitly any particular provision of the Motion or the APA in this Order shall not diminish or impair the efficacy of such provision, it being the intent of the Court that the APA be authorized and approved in its entirety.

40. Nothing contained in any plan of reorganization or liquidation, or order of any type or kind entered in (a) this chapter 11 case, (b) any subsequent chapter 7 case into which this chapter 11 case may be converted, or (c) any related proceeding subsequent to entry of this Order, shall conflict with or derogate from the provisions of the APA or the terms of this Order.

41. No bulk sales law or any similar law of any state or other jurisdiction applies in any way to the Sale.

42. The 14-day stay period set forth in Bankruptcy Rule 6004(h) is waived.

43. The failure specifically to include any particular provision of the APA, the Sale Stipulation, or any related ancillary document in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the APA and all related ancillary documents be authorized and approved in their entirety; provided, however, that this Order shall govern if there is any inconsistency between the APA (including all ancillary documents executed

in connection therewith) and this Order. Likewise, all of the provisions of this Order are nonseverable and mutually dependent.

44. The APA and any related documents or other instruments may be modified, amended or supplemented in writing by the parties thereto and in accordance with the terms thereof, without further order of the Court, provided that any such modification, amendment or supplement does not have a material adverse effect on the Estate.

45. Time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

46. This Order constitutes an itemized statement of the assets sold, the name of Buyer, and the price received for the assets as a whole as required by Bankruptcy Rule 6004(f)(1).

47. A certified copy of this Order may be filed with the appropriate clerk and/or recorded with the recorder to act to cancel any liens and other encumbrances of record, as necessary.

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SO ORDERED.

UNITED STATES BANKRUPTCY COURT DISTRICT OF HAWAII

/s/ Robert J. Faris
United States Bankruptcy Judge
Dated: **05/01/2025**