

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re

WALKER EDISON HOLDCO LLC, *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 25-11602 (TMH)

(Joint Administration Requested)

**DEBTORS' MOTION FOR (I) AN ORDER PURSUANT TO SECTIONS 105, 363, 364, 365 AND 541 OF THE BANKRUPTCY CODE, BANKRUPTCY RULES 2002, 6004, 6006 AND 9007 AND DEL. BANKR. L.R. 2002-1 AND 6004-1 (A) APPROVING BID PROCEDURES FOR THE SALE OF SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS; (B) APPROVING THE DEBTORS' ENTRY INTO STALKING HORSE AGREEMENT AND RELATED BID PROTECTIONS (C) APPROVING PROCEDURES FOR THE ASSUMPTION AND ASSIGNMENT OR REJECTION OF DESIGNATED EXECUTORY CONTRACTS AND UNEXPIRED LEASES; (D) SCHEDULING AN AUCTION AND SALE HEARING; (E) APPROVING FORMS AND MANNER OF NOTICE OF RESPECTIVE DATES, TIMES, AND PLACES IN CONNECTION THEREWITH; AND (F) GRANTING RELATED RELIEF; (II) AN ORDER (A) APPROVING THE SALE OF THE DEBTORS' ASSETS FREE AND CLEAR OF CLAIMS, LIENS, AND ENCUMBRANCES; AND (B) APPROVING THE ASSUMPTION AND ASSIGNMENT OF DESIGNATED EXECUTORY CONTRACTS AND UNEXPIRED LEASES; AND (III) CERTAIN RELATED RELIEF**

The above-captioned debtors and debtors in possession (the "Debtors") hereby move (this "Motion") for entry of an order, in the form attached hereto as **Exhibit A** (the "Bid Procedures Order"), (a) approving the bid procedures (the "Bid Procedures") attached as **Exhibit 1** to the Bid Procedures Order in connection with the sale of all or substantially all of the Debtors' assets; (b) approving various forms and the manner of notice of respective dates, times and places in connection therewith; (c) authorizing the Debtors to enter into and perform under an asset purchase agreement attached hereto as **Exhibit B** (the "Stalking Horse Agreement") between the

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<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor's federal EIN, are as follows: Walker Edison Holdco LLC (8817); Walker Edison Intermediate, LLC (3363); Walker Edison Furniture Company LLC (6576); and EW Furniture, LLC (6288). The Debtors' mailing address is 1553 W 9000 S, West Jordan, UT 84088.

Debtors and Twin-Star International, Inc. (the “Stalking Horse Bidder”), subject to the solicitation of higher and otherwise better offers for the Debtors’ assets (the “Acquired Assets”); (d) approving the Bid Protections (defined below) granted to the Stalking Horse Bidder; (e) approving procedures for the assumption and assignment of designated executory contracts and unexpired leases (the “Designation Procedures”); (f) scheduling the auction (the “Auction”) and the date and time of the hearing to approve the sale (the “Sale Hearing”) of the Acquired Assets and assumption of certain liabilities of the Debtors (the “Assumed Liabilities”); and (g) granting related relief. The Debtors further request that at the Sale Hearing, the Court enter an order, in the form attached hereto as **Exhibit C** (the “Sale Order”), (i) authorizing the Sale of the Acquired Assets (the “Sale”) free and clear of all liens, claims, interests and other encumbrances (collectively, the “Liens”); (ii) authorizing the assumption and assignment of certain Contracts and Leases; and (iii) granting related relief. In support of this Motion, the Debtors rely upon and incorporate by reference the *Declaration of Nate Brown in Support of Chapter 11 Petitions and First Day Relief* (the “First Day Declaration”), filed contemporaneously herewith.

As discussed herein, the Debtors propose the following timeline for conducting the Sale process:

| Event                                                                               | Deadline                               |
|-------------------------------------------------------------------------------------|----------------------------------------|
| Deadline for Debtors to File Notice of Proposed Cure Amounts and Adequate Assurance | One week after the Petition Date       |
| Sale Order to be Filed                                                              | One week after the Petition Date       |
| Bid Procedures Hearing                                                              | September 15, 2025                     |
| Sale Objection Deadline                                                             | September 22, 2025, at 4:00 p.m. (ET)  |
| Bid Deadline                                                                        | September 22, 2025, at 4:00 p.m. (ET)  |
| Deadline to Designate Qualified Bids                                                | September 23, 2025                     |
| Auction                                                                             | September 24, 2025, at 10:00 a.m. (ET) |

| Event                                                                                                                                                                                        | Deadline                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|
| Deadline to Serve Notice of Winning Bidder and Supplemental Cure Notice                                                                                                                      | One (1) business day after the close of the auction |
| Deadline to File Supplemental Sale Objection Solely Related to Conduct at the Auction and Objection to Assumption or Cure Amount (If Winning Bidder is Different Than Stalking Horse Bidder) | September 25, 2025, at 11:59 p.m. (ET)              |
| Sale Hearing                                                                                                                                                                                 | September 26, 2025                                  |

### **JURISDICTION AND VENUE**

1. The United States Bankruptcy Court for the District of Delaware (the “Court”) has jurisdiction over these chapter 11 cases and this Motion pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue of these cases and the Motion is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The Debtors consent pursuant to rule 9013-1(f) of the Local Rules of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”) to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

3. The statutory bases for the relief requested in this Motion are sections 105, 363, 364, 365, and 541 of title 11 of the United States Code (the “Bankruptcy Code”), Rules 2002, 6004, 6006 and 9007 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Local Rules 2002-1 and 6004-1.

### **BACKGROUND**

4. On August 28, 2025 (the “Petition Date”), the Debtors each filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in this Court. The Debtors continue to manage their business as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or official committee has been appointed in these cases.

5. Beginning in June 2025, the Debtors engaged with their proposed investment banker, Lincoln International LLC (“Lincoln”) to explore the possibility of a sale of the Debtors’ assets. Accordingly, Lincoln began working with the Debtors’ management to analyze the Debtors’ financial position and outlook, prepare marketing and diligence materials (including a 32-page confidential information presentation (the “CIP”)), and populate an electronic data room (the “Data Room”) with over 130 files that provided potential purchasers with a detailed overview of the Debtors’ business operations, assets, commercial arrangements, and historical financial results. Because of Lincoln’s overall experience in the furniture sales sector, Lincoln was quickly able to identify the universe of potential purchasers. Lincoln contacted approximately 45 potential buyers, some of which were backed by private equity sponsors. Lincoln deemed these potential buyers the most likely to be interested in the acquisition of the Company given, among other things, the operational losses at the Company and the potential buyers’ ability to pursue cost synergies. Lincoln continued to maintain a dialogue with all potential purchasers throughout the process and facilitated discussions between potential purchasers and the Debtors’ management. Lincoln and management of the Debtors addressed approximately 230 diligence questions from the parties either via e-mail or during meetings with management.

6. This initial stage of the marketing process culminated in the receipt of five non-binding indications of interest (“IOIs”). After reviewing the IOIs, the Debtors and Lincoln

engaged with each potential purchaser to discuss the terms of each potential bid. After this further diligence, three interested parties submitted letters of interest (“LOIs”). The LOIs representing the highest value for the Debtors’ assets required that the Debtors consummate the sale through a chapter 11 sale process in order to realize the values stated in the LOIs. As such, the Debtors began to negotiate with these potential buyers to develop the terms of an agreement to serve as a stalking horse.

7. After several weeks, the Debtors reached an agreement with the Stalking Horse Bidder, setting the floor for other potential bids to acquire certain assets during these chapter 11 cases. Under the August 28, 2025 asset purchase agreement between the Debtors and the Stalking Horse Bidder (as modified from time to time, the “Stalking Horse Agreement”) the Stalking Horse Bidder has committed, subject to Court approval, to acquire substantially all of the assets of the Debtors in exchange for (A) the amount of \$20,000,000 subject to section 2.6 of the Stalking Horse Agreement, plus (B) the assumption of the Assumed Liabilities<sup>2</sup> by the Stalking Horse Bidder (the “Stalking Horse Bid”).

8. In addition to the purchase price detailed above, the Stalking Horse Agreement contemplates the Stalking Horse Bidder purchasing certain in-transit inventory ordered by the Debtors, but which have not yet been received by the Debtors. Further, pursuant to the

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<sup>2</sup> **Assumed Liabilities:** Upon the terms and subject to the conditions set forth herein, at the Closing, Purchaser shall assume and shall timely perform and discharge in accordance with their respective terms (a) all Liabilities and Cure Amounts with respect to the Assigned Contracts, (b) all Liabilities (including for any Tax) that arise on or after the Closing Date with respect to Purchaser’s ownership or operation of the Acquired Assets on and after the Closing, (c) all Liabilities arising from the employment of Transferred Employees by Purchaser or any of its Affiliates after the Closing for wages, compensation, bonuses, deferred compensation, overtime, benefits workers’ compensation, sick pay, vacation, personal days and severance benefits that are on account of events, matters and circumstances occurring after the Closing, (d) the Specified Vendor Costs, (e) Unfilled Customer Orders, and (f) all Transfer Taxes not otherwise exempt under the Final Order pursuant to Section 6.10(a) (collectively “Assumed Liabilities”). Stalking Horse Agreement § 2.3.

terms of the Stalking Horse Agreement, the Stalking Horse Bidder intends to assume responsibility for a large percentage of employees of the Debtors upon the Closing Date of the Sale.

9. The bid submitted by the Stalking Horse Bidder for substantially all assets of the Debtors and documented in the binding Stalking Horse Agreement will serve the critical function of setting a “floor” for recoveries to creditors and a structure for further competitive bidding. While negotiating with the Stalking Horse Bidder, Lincoln and the Debtors continued facilitating diligence and engaging in discussions with the other potential buyers to further develop their interest in anticipation of the filing of these chapter 11 cases and the competitive process the Debtors intend to conduct pursuant to the Bid Procedures.

10. The Debtors were teetering on the brink of chapter 7 until receiving the Stalking Horse Bid, which allowed for a going-concern sale to the benefit of all stakeholders. Due to continuing losses being experienced by the Debtors and because the Debtors cannot afford to replenish their inventory at this time, a sale to Stalking Horse Bidder must be completely quickly so that the value of the Acquired Assets do not erode (diminishing any purchase price due to a working capital adjustment) and ensure that the Stalking Horse Bidder has the time to take over the Debtors’ business lines and integrate the Debtors’ employees before the holiday season begins.

11. Thus, it is essential that the Debtors be allowed to proceed as expeditiously as possible to consummate a Sale with the Stalking Horse Bidder or another Qualified Bidder (as defined below) at the conclusion of the Auction. The Bid Procedures proposed herein ensure that the Debtors’ assets will be subject to a competitive bidding and auction process without unduly delaying the progress of these cases. The process contemplated by the Bid Procedures will leave no doubt that, at the conclusion of that process, the Debtors will have explored all available alternatives and identified the highest acceptable offer for the Acquired Assets.

12. The Debtors believe, in an exercise of their business judgment, that approval of the Stalking Horse Agreement (including the Bid Protections) and the Bid Procedures will set these cases on a positive trajectory and are essential to the Debtors' ability to identify and consummate the sale or restructuring transaction offering the greatest value to their creditors. Accordingly, the Debtors respectfully submit that the Court should grant the relief requested herein.

### **THE PROPOSED SALE AND BID PROCEDURES**

#### **A. Summary of Key Terms of the Stalking Horse Bid**

13. By this Motion, the Debtors are requesting approval of the designation of the Stalking Horse Bidder and the Stalking Horse Bid on the terms provided in the Stalking Horse Agreement, as well as approval of reasonable and customary Bid Protections. Specifically, the Bid Protections consist of a break-up fee in the amount of \$700,000 (the "Break-Up Fee") and a reimbursement of the Stalking Horse Bidder's actual, reasonable, documented out-of-pocket expenses up to an amount not to exceed \$500,000 (the "Expense Reimbursement," together with the Break-Up Fee, the "Bid Protections"). Given the Debtors' need to maximize the value of the Acquired Assets through a timely and efficient marketing and sale process, the ability to designate a Stalking Horse Bid and offer Bid Protections is justified, appropriate and essential.

14. In accordance with Local Rule 6004-1(b), the pertinent terms of the Stalking Horse Agreement are summarized in the following table.<sup>3</sup> The Debtors respectfully submit that all terms of the Stalking Horse Agreement, including those required to be highlighted under Local

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<sup>3</sup> This summary is provided for the convenience of the Court and parties in interest. To the extent there is any conflict between this summary and the Stalking Horse Agreement, the latter governs in all respects. Capitalized terms used but not otherwise defined in this summary shall have the meanings set forth in the Stalking Horse Agreement.

Rule 6004-1(b), are fair, reasonable, and appropriate under the circumstances in light of the parties' good faith, arm's-length negotiation of the Stalking Horse Bid, the support of the Debtors' key creditor constituencies for the Debtors' entry into such agreement, and the substantial benefits the Debtors and their estates will realize as a result thereof, including the establishment of a baseline price for the Debtors' assets.

| <b><u>Term</u></b>            | <b><u>Description</u></b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
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| <b>Sellers:</b>               | Walker Edison Holdco LLC; Walker Edison Intermediate, LLC; Walker Edison Furniture Company LLC; and EW Furniture, LLC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Stalking Horse Bidder:</b> | Twin-Star International, Inc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Purchase Price:</b>        | The purchase price for the Acquired Assets shall be equal to the sum of: (A) Twenty Million Dollars (\$20,000,000.00), subject to Section 2.6 of the Stalking Horse Agreement, <i>plus</i> (B) the assumption of the Assumed Liabilities by the Stalking Horse Bidder.                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Acquired Assets:</b>       | The Acquired Assets are set forth in Section 2.1 of the Stalking Horse Agreement and include, among other things: all tangible property, including machinery and equipment; all Pre-Petition On-Hand Inventory, Pre-Petition In-Transit Inventory and Post-Petition Inventory (each as defined in the Stalking Horse Agreement); the Acquired Claims (as defined in the Stalking Horse Agreement); all intangible personal property, to the extent of the Debtors' interest in same; all Intellectual Property; all deposits and prepaid items that related to the Acquired Assets; all Accounts Receivable arising or accrued prior to Closing; and certain IT systems. |
| <b>Excluded Assets:</b>       | The Excluded Assets are set forth in Section 2.2 of the Stalking Horse Agreement and include, among other things: cash; all Excluded Inventory (as defined in the Stalking Horse Agreement); all Contracts that are not Assigned Contracts (each as defined in the Stalking Horse Agreement); all Estate Causes of Action including the actions set forth on Schedule 2.2(h); and all assets, properties and rights listed on Schedule 2.2(l) of the Stalking Horse Agreement.                                                                                                                                                                                           |

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| <b>Assumed Liabilities:</b>                                                                                                           | The Assumed Liabilities are set forth in Section 2.3 of the Stalking Horse Agreement and include, among other things: (a) all Liabilities and Cure Amounts (each as defined in the Stalking Horse Agreement) with respect to Assigned Contracts; (b) all Liabilities that arise on or after the Closing Date with respect to Purchaser's ownership or operation of the Acquired Assets on and after Closing; (c) all Liabilities arising from the employment of Transferred Employees (as defined in the Stalking Horse Agreement) by the Stalking Horse Bidder; and (d) all Transfer Taxes not otherwise exempt under the Final Order (each as defined in the Stalking Horse Agreement) pursuant to Section 6.10(a) of the Stalking Horse Agreement. |
| <b>Excluded Liabilities:</b>                                                                                                          | The Excluded Liabilities are set forth in Section 2.4 of the Stalking Horse Agreement and include any Liability other than the Assumed Liabilities.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Other Terms and Conditions:</b>                                                                                                    | Pursuant to Section 2.5 of the Stalking Horse Agreement, the Stalking Horse shall have up to five (5) business days prior to the Closing Date to add or remove any Contract from the definition of Acquired Assets or Excluded Assets.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b><u>Rule</u></b>                                                                                                                    | <b><u>Disclosure/Location</u></b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Sale to Insider</b> <i>Local Bankr. R. 6004-1(b)(iv)(A)</i>                                                                        | Not applicable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Agreements with Management or Key Employees</b><br><i>Local Bankr. R. 6004-1(b)(iv)(B)</i><br><br>Stalking Horse Agreement, § 6.9. | The Stalking Horse Bidder shall have the option to make offers of employment to each employee of each Debtor who is listed on <u>Schedule 6.9</u> of the Stalking Horse Agreement, subject to such employee's satisfaction of the Stalking Horse Bidder's onboarding requirements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

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| <b>Releases</b><br><i>Local Bankr. R. 6004-1(b)(iv)(C)</i><br><br>Stalking Horse Agreement, § 8.20.                  | Effective as of immediately prior to the Closing, Debtors for itself and each of their Affiliates and each of their respective equity holders, successors and assigns, fully and unconditionally releases, acquits and forever discharges the Stalking Horse Bidder from any and all manner of actions, causes of actions, claims obligations, demands, damages, costs, expenses, compensation or other relief, whether known or unknown, whether in law or equity, of any kind, Debtors now have or have ever had against the Stalking Horse Bidder. Notwithstanding the foregoing, the release and discharge provided for in the Stalking Horse Agreement shall not release the Stalking Horse Bidder of their respective obligations or liabilities pursuant to this Agreement, the Ancillary Agreements or the Confidentiality Agreement. |
| <b>Private Sale/No Competitive Bid</b> <i>Local Bankr. R. 6004-1(b)(iv)(D)</i>                                       | The Sale to the Stalking Horse Bidder is subject to the Auction and the Bid Procedures.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Closing and Other Deadlines</b><br><i>Local Bankr. R. 6004-1(b)(iv)(E)</i><br><br>Stalking Horse Agreement, § 3.1 | <p>The Debtors' proposed timeline for the sale process in these chapter 11 cases is set forth on pages 2-3, <i>supra</i>.</p> <p>The closing (the "<u>Closing</u>") of the sale and purchase of the Acquired Assets and the assumption of the Assumed Liabilities shall take place on the date that is three (3) Business Days after the date on which all of the conditions set forth in Article III of the Stalking Horse Agreement are satisfied, at a location specified by the Debtors or remotely if agreed by the Debtors and the Stalking Horse Bidder.</p>                                                                                                                                                                                                                                                                           |
| <b>Good Faith Deposit</b><br><i>Local Bankr. R. 6004-1(b)(iv)(F)</i><br><br>Stalking Horse Agreement, § 2.7(a)       | \$2,500,000.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Interim Arrangements with Stalking Horse Bidder</b><br><i>Local Bankr. R. 6004-1(b)(iv)(G)</i>                    | The Debtors are not entering into any interim arrangements with the Stalking Horse Bidder.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Use of Proceeds</b> <i>Local Bankr. R. 6004-1(b)(iv)(H)</i>                                                       | Not Applicable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Tax Exemption</b> <i>Local Bankr. R. 6004-1(b)(iv)(I)</i>                                                         | Not Applicable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

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| <p><b>Record Retention</b><br/> <i>Local Bankr. R. 6004-1(b)(iv)(J)</i></p> <p>Stalking Horse Agreement,<br/> § 2.1(d)</p> | <p>All books and records of Debtors relating primarily to the Acquired Assets, including production records, accounting records, Tax records, financial records, property records, mailing lists, marketing plans and market research, sales and purchase correspondence and customer and vendor lists, <i>provided</i> that Debtors may obtain, at their own expense, copies of any or all such books and records before their transfer to Purchaser; <i>provided, further</i> that Debtors may retain any and all documents they determine, in their reasonable discretion, to be relevant to any causes of action that constitute Excluded Assets provided that they provide copies and reasonable access to any such documents.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <p><b>Sale of Avoidance Actions</b><br/> <i>Local Bankr. R. 6004-1(b)(iv)(K)</i></p>                                       | <p>Section 2.2(h) of the Stalking Horse Agreement provides that all Estate Causes of Actions are Excluded Assets. Estate Causes of Action are defined as “any and all causes of action, defenses, and counterclaims accruing to the Debtors or to a trustee or to a creditor or that is property of their Estates or related to their claims, based upon facts, circumstances and transactions or agreements that occurred prior to the Closing Date, including any avoidance, illegal or unauthorized dividend, fraudulent transfer, or other recovery action that belongs to, have previously been raised by, could have been raised, or can be raised post-filing by the Debtors or the debtors in possession or their respective Estates under Chapter 5 of the Bankruptcy Code or other federal or state law, except for any Acquired Claims, but including, for the avoidance of doubt, any and all claims between and among Debtors, against current and prior direct and indirect stockholders, members, directors, managers, officers or employees; provided, that Estate Causes of Action shall include the right to defend and assert counterclaims in respect to any Acquired Claims.”</p> |
| <p><b>Successor Liability</b><br/> <i>Local Bankr. R. 6004-1(b)(iv)(L)</i></p>                                             | <p>The Sale Order provides that the parties intend that the Stalking Horse Bidder is not a mere continuation of the Debtors or their estates, and that the Stalking Horse Bidder shall not have any successor liability of any kind or character.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <p><b>Sale Free and Clear of Unexpired Leases</b><br/> <i>Local Bankr. R. 6004-1(b)(iv)(M)</i></p>                         | <p>None</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <p><b>Credit Bid</b> <i>Local Bankr. R. 6004-1(b)(iv)(N)</i></p>                                                           | <p>Not Applicable.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

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| <b>Relief from<br/>Bankruptcy Rule<br/>6004(h)</b><br><br><i>Local Bankr. R. 6004-<br/>1(b)(iv)(O)</i> | The Debtors seek a waiver of the 14-day stay under Bankruptcy Rules 6006(d) and 6004(h), as described in more detail below. |
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**B. Bid Procedures Order**

15. By this Motion, as set more fully below, the Debtors seek entry of the Bid Procedures Order: (i) approving the Bid Procedures; (ii) approving various forms and the manner of notice of respective dates, times and places in connection therewith; (iii) approving Twin-Star International, Inc. as the Stalking Horse Bidder and the Bid Protections; (iv) establishing the Designation Procedures; and (v) scheduling the Auction and a Sale Hearing.

**(i) The Bid Procedures**

16. To maximize the value of the Acquired Assets for the benefit of the Debtors' estates and stakeholders, the Debtors seek to continue their competitive marketing process by implementing a process for soliciting higher and otherwise better bids than the bid set forth in the Stalking Horse Agreement. The Debtors, in consultation with their advisors, entered into the Stalking Horse Agreement to provide a floor for a bid on the Debtors' assets. The Bid Procedures would provide 25 days between the filing of this Motion and the Bid Deadline, which the Debtors believe will be sufficient to allow other potential bidders to conduct diligence and formulate competing bids given the extensive marketing process that occurred prepetition. Following the Petition Date, Lincoln will continue the marketing process as described herein and in more detail in the First Day Declaration.

17. As described more fully in the Bid Procedures and the Bid Procedures Order, the Debtors seek approval to sell the Acquired Assets to a Qualified Bidder, determined in accordance with the Bid Procedures and Bid Procedures Order, that makes the highest acceptable

offer for the Acquired Assets. The Debtors request that competing bids for the Acquired Assets be governed by the Bid Procedures and Bid Procedures Order, which provide:

- the requirements a Potential Bidder must satisfy to be entitled to participate in the bidding process and become a Qualified Bidder;
- the requirements for Qualified Bidders to submit bids and the method and criteria by which such bids become Qualified Bids;
- the deadline by which bids must be submitted;
- the procedures for conducting the Auction;
- the assumption and assignment procedures for Contracts and Leases; and
- various other matters relating to the sale process generally, the Sale Hearing, return of any Good Faith Deposits, and designation of a Back-Up Bidder.

18. Local Rules 6004-1(c)(i)(A) and (B) further provide that a bid procedures motion must highlight “[a]ny provision governing an entity becoming a qualified bidder” and “[a]ny provision governing a bid being a qualified bid.” Local Rule 6004-1(c)(i)(A) and (B). The Bid Procedures provide as follows with respect to qualifying bids<sup>3</sup>:

- a. **Participation Requirements.** To participate in the formal bidding process or otherwise be considered for any purpose hereunder, a person (other than the Stalking Horse Bidder) interested in submitting a bid (an “Interested Party”) must deliver to the Debtors, Morris Nichols Arsht & Tunnell, LLP (“Morris Nichols”), the Debtors’ proposed legal counsel, and Lincoln an executed confidentiality agreement (each, a “Confidentiality Agreement”). Such person or entity that has delivered an executed Confidentiality Agreement shall be considered a potential bidder (a “Potential Bidder”).
- b. **Due Diligence.** The Debtors will provide to each Potential Bidder reasonable due diligence information, as requested, as soon as reasonably practicable after such request, provided that if any Potential Bidder is (or is affiliated with) a competitor of the Debtors, the Debtors will not be required

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<sup>3</sup> To the extent any inconsistencies exist between the summary provided in this Motion and the actual terms of the Bid Procedures, the Bid Procedures shall control. Capitalized terms used but not otherwise defined in connection with this summary shall have the meanings ascribed to such terms in the Bid Procedures.

to disclose to such Potential Bidder any trade secrets, proprietary information, or other commercially sensitive information unless, under the Debtors' business judgment, in consultation with the Consultation Parties, the Confidentiality Agreement executed by such Potential Bidder (i) sufficiently protects the Debtors' estates, and (ii) contains appropriate provisions to ensure that such trade secrets or proprietary information will not be used by such Potential Bidder or its Affiliates for an improper purpose or to gain an unfair competitive advantage. Each Potential Bidder will comply with all reasonable requests for additional information and due diligence access by the Debtors or their advisors regarding such Potential Bidder and its contemplated transaction. If the Debtors determine at any time in their reasonable discretion, in consultation with the Consultation Parties, that a Potential Bidder is not reasonably likely to be a Qualified Bidder (as defined below), then the Debtors' obligation to provide due diligence information to such Potential Bidder will terminate and all information provided by the Debtors prior to such time shall be returned to the Debtors or destroyed in accordance with the terms of the applicable Confidentiality Agreement.

- c. **Bid Requirements.** To be eligible to participate in the Auction, each Potential Bidder must submit a proposal (a "Bid") to purchase some or all of the Debtors' assets by September 22, 2025, at 4:00 p.m. (ET) (the "Bid Deadline") which must:
- 1) state that the applicable Potential Bidder offers to purchase the Acquired Assets upon terms and conditions no less favorable to the Debtors' estates, as the Debtors may reasonably determine, in consultation with the Consultation Parties (as defined in the Bid Procedures), than the transactions contemplated in the Stalking Horse Agreement;
  - 2) be accompanied by a deposit (each, a "Good Faith Deposit") in the form of a wire transfer or certified check or such other form acceptable to the Debtors in their sole discretion, payable to the order of Epiq Corporate Restructuring, LLC (the "Escrow Agent"), in an amount equal to 10% of the cash portion of the Purchase Price being bid;
  - 3) specify the amount of cash or other consideration offered by the Potential Bidder (the "Purchase Price"), which Purchase Price must, except for a Partial Bid (defined below): (a) exceed the aggregate sum of (i) the aggregate consideration set forth in the Stalking Horse Agreement; (ii) the Assumed Liabilities set forth in the Stalking Horse Agreement; (iii) the Bid Protections, and (iv) the minimum bid increment of [\$250,000]; and (b) include an amount of cash consideration at closing that exceeds the aggregate sum of (i), (iii) and (iv) (such aggregate sum specified in (a) and (b), the "Minimum Purchase Price"); *provided, however*, that the Debtors, in their business judgment and in consultation with the Proposed DIP

Lenders, shall have the right to modify any of the terms contained in the calculation of the Minimum Purchase Price. If any modifications to the Minimum Purchase Price are made, the Debtors will provide notice to any interested parties within two [2] days of the Bid Deadline;

- 4) agree to a purchase price adjustment mechanism in substantially the same terms as clause 2.6(a)(iii) of the Stalking Horse Agreement;
- 5) include an executed asset purchase agreement, together with all exhibits and schedules thereto, pursuant to which the Potential Bidder proposes to effectuate a proposed transaction at the Purchase Price (the “Transaction Documents”), which Transaction Documents must include a copy of the proposed asset purchase agreement marked against the Stalking Horse Agreement to show all changes requested by the Potential Bidder including, but not limited to, treatment of any assumed liabilities;
- 6) be irrevocable by the Potential Bidder until the selection of the Successful Bid in accordance with the terms of these Bid Procedures; *provided* that if such Potential Bidder is selected as the Successful Bidder or Back-Up Bidder and is required to be a Back-Up Bidder hereunder, its Bid must remain irrevocable until the Debtors’ consummation of a sale with the Successful Bidder;
- 7) include a list which specifies in detail which of the Debtors’ Leases and Contracts are to be assumed by the Debtors and assigned to the Potential Bidder in connection with the consummation of the proposed transaction and an agreement that the Potential Bidder will pay any related cure costs;
- 8) contain a description of how the Potential Bidder intends to treat the Debtors’ current employees;
- 9) provide a commitment to close by September 28, 2025;
- 10) not be conditioned on any contingency, including unperformed due diligence, obtaining financing, obtaining third-party consents, or any internal approval;
- 11) include an acknowledgement that the sale or transfer of the Acquired Assets will be on an “as is, where is” basis and without representations or warranties of any kind by Debtors or their agents other than as set forth in the Stalking Horse Agreement;
- 12) include a description of all governmental, licensing, regulatory or other filings, approvals or consents, including all filings required under the HSR Act, that are required to be made or obtained to close the proposed transaction, together with evidence of the ability to make any applicable filings or submissions within three (3) business days of being declared the Successful Bidder;

- 13) contain written evidence of a commitment for financing or other evidence of the ability to consummate a proposed transaction at the Purchase Price (including sufficient financial or other information to establish adequate assurance of future performance pursuant to section 365(f)(2) of the Bankruptcy Code and, if applicable, section 365(b)(3) of the Bankruptcy Code to the non-Debtor counterparties to any Contracts and Leases to be assumed by the Debtors and assigned to the Potential Bidder in connection with the proposed transaction), satisfactory to the Debtors in their reasonable discretion with appropriate contact information for such financing sources;
  - 14) contain written evidence satisfactory to the Debtors, in consultation with the Consultation Parties, of authorization and approval from the Potential Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and consummation of such Bid and the transaction(s) contemplated therein and any Overbid(s) (as defined below), and related Transaction Documents;
  - 15) not request or entitle the Potential Bidder to any break-up fee, termination fee, expense reimbursement or similar type of payment (except to the extent consented to in writing by Debtors in consultation with the Consultation Parties);
  - 16) fully disclose the identity of each entity that will be bidding for the Acquired Assets or otherwise sponsoring, financing (including through the issuance of debt in connection with such Bid), participating in or benefiting from (including through license or similar arrangement with respect to the assets to be acquired in connection with such Bid) such Bid (a "Participating Party"), and the complete terms of any such sponsorship, participation, financing or benefit;
  - 17) constitute a good faith, bona fide offer to effectuate the proposed transaction;
  - 18) include a written acknowledgement by such Potential Bidder that it agrees to all of the terms for sale set forth in the Bid Procedures;
  - 19) include an agreement to provide any other information reasonably requested by the Debtors; and
  - 20) be received by the Bid Deadline.
- d. **Qualified Bidder.** A qualified bidder ("Qualified Bidder") is a Potential Bidder that, in the Debtors' reasonable determination, in consultation with the Consultation Parties, (i) has timely submitted a Bid that satisfies each of the requirements listed above in the section entitled "Bid Requirements" and (ii) is able to consummate the proposed transaction within the required timeframe if selected as the Successful Bidder (such Bid submitted by a Qualified Bidder, a "Qualified Bid"); *provided* that the Debtors reserve the

right to work with any Potential Bidder to cure any deficiencies in a Bid that is not initially deemed a Qualified Bid. Within two (2) business days after a Potential Bidder delivers all of the documents described above, the Debtors will determine in their reasonable discretion, in consultation with the Consultation Parties, whether such Potential Bidder is a Qualified Bidder and notify the Potential Bidder of such determination. For the avoidance of doubt, (i) the Stalking Horse Bidder is a Qualified Bidder, (ii) the Stalking Horse Agreement is a Qualified Bid and (iii) the Stalking Horse Bidder is authorized to submit any Overbids (as defined below) during the Auction, in each instance without further qualification required of the Stalking Horse Bidder.

19. If the Debtors receive one or more Qualified Bids (in addition to the Stalking Horse Bid), the Debtors will conduct the Auction to determine the highest acceptable Qualified Bid with respect to the Acquired Assets. If no Qualified Bids (other than the Stalking Horse Bid) are received by the Bid Deadline, then the Auction shall be cancelled, the Stalking Horse Bidder will be deemed the Successful Bidder, the Stalking Horse Agreement will be the Successful Bid, and, at the Sale Hearing, the Debtors will seek final Court approval of the Sale of the Acquired Assets to the Stalking Horse Bidder in accordance with the terms of the Stalking Horse Agreement.

20. The Debtors propose that the following procedures govern any Auction:
- a. **Baseline Bid.** No later than one (1) day prior to the commencement of the Auction, the Debtors will provide all Notice Parties and Consultation Parties with complete copies of all Transaction Documents and all other bid materials submitted by each other Qualified Bidder, subject to exclusion of any confidential financial information as determined by the Debtors in their reasonable discretion or which has been so designated by the applicable Qualified Bidder. At the commencement of the Auction, the Debtors will notify all Qualified Bidders and Notice Parties of the highest acceptable Qualified Bid, as determined by the Debtors in their reasonable discretion, in consultation with the Consultation Parties (the “Baseline Bid”). The Debtors’ determination, in consultation with the Consultation Parties, of which Qualified Bid constitutes the Baseline Bid shall take into account factors such as the projected percentage recovery to general unsecured creditors pursuant to such Qualified Bid and the certainty of such recovery, whether all administrative, priority and secured claims will be paid in full under such Qualified Bid and any other factors the Debtors, in consultation

with the Consultation Parties, reasonably deem relevant to the value of the Qualified Bid to the estates. No later than the day prior to the commencement of the Auction, each Qualified Bidder that has timely submitted a Qualified Bid must inform the Debtors whether it intends to attend the Auction; *provided* that in the event a Qualified Bidder elects not to attend the Auction, such Qualified Bidder's Qualified Bid will nevertheless remain fully enforceable against such Qualified Bidder.

- b. **Auction Date and Location.** The Auction will commence on or before September 24, 2025, at 10:00 a.m. (Prevailing Eastern Time) at the offices of **Morris Nichols Arsht & Tunnell, LLP, 1201 N. Market Street, Wilmington, DE 19801**, or on such other date and/or at such other location as determined by the Debtors, in consultation with the Consultation Parties.
- c. **Participation Requirements.** Only a Qualified Bidder that has submitted a Qualified Bid will be eligible to participate at the Auction. The authorized representatives of each of the Qualified Bidders (including the Stalking Horse Bidder), the Debtors, the Consultation Parties, and the Committee will be permitted to attend the Auction. In addition, pursuant to Local Rule 6004-1, all creditors of the Debtors who have not submitted Bids may attend the Auction as observers, provided that they send an email to Debtors' counsel indicating that they intend to attend the Auction no less than one (1) Business Day prior to the Auction, provided further that the Debtors' right to object on an emergency basis to any such creditor's proposed attendance at the Auction is reserved.
- d. **Auction Procedures.** The Debtors and their professionals will direct and preside over the Auction. At the start of the Auction, the Debtors will describe the terms of the Baseline Bid. All Bids made thereafter must be Overbids (as defined below) and will be made and received on an open or closed basis, as determined by Debtors, in consultation with the Consultation Parties, and all material terms of each Bid will be fully disclosed to all other Qualified Bidders. The Debtors will maintain a transcript of all Bids made and announced at the Auction, including the Baseline Bid, all Overbids, the Successful Bid and the Back-Up Bid. Each Qualified Bidder will be required to confirm on the record of the Auction that it has not engaged in any collusion with respect to the bidding or the sale of the Acquired Assets. The Debtors, in their reasonable discretion, in consultation with the Consultation Parties, reserve the right to conduct the Auction in a manner designed to maximize value based upon the nature and extent of the Qualified Bids received.

During the Auction, bidding will begin initially with the Baseline Bid and subsequently continue in minimum increments of at least [\$250,000] (each, an "Overbid"). The Debtors will announce at the Auction the material terms of each Overbid, value each Overbid in accordance with the Bid Procedures

and provide each Qualified Bidder with an opportunity to make a subsequent Overbid (except in the event of a round of closed, final bidding). Additional consideration in excess of the amount set forth in the Baseline Bid may include cash and/or other consideration acceptable to the Debtors, in consultation with the Consultation Parties, in accordance with the Bid Procedures. When bidding at the Auction, the Stalking Horse Bidder will receive a cash credit in the amount of the Bid Protections and will be allowed to bid the Bid Protections.

To the extent that an Overbid has been accepted entirely or in part because of the addition, deletion, or modification of a provision or provisions in the applicable Transaction Documents or the Stalking Horse Agreement, the Debtors will provide notice to each participant of the value ascribed by the Debtors, in consultation with the Consultation Parties, to any such added, deleted, or modified provision or provisions, with such value being determined by the Debtors in their reasonable discretion and in consultation with the Consultation Parties.

Any Overbid made from time to time by a Qualified Bidder must remain open and binding on the Qualified Bidder until and unless (i) the Debtors accept a higher and otherwise better bid submitted by another Qualified Bidder during the Auction as an Overbid and (ii) such Overbid is not selected as the Back-Up Bid (as defined below). To the extent not previously provided (which will be determined by the Debtors), a Qualified Bidder submitting an Overbid must submit at the Debtors' request, as part of its Overbid, written evidence (in the form of financial disclosure or credit-quality support information or enhancement reasonably acceptable to the Debtors in consultation with the Consultation Parties) demonstrating such Qualified Bidder's ability to close the transaction at the purchase price contemplated by such Overbid.

21. As set forth in more detail in the Bid Procedures and subject to the conditions provided for therein, at the conclusion of the Auction, the Debtors, in the exercise of their reasonable business judgment will select as the Successful Bid the highest acceptable bid submitted by a Qualified Bidder during the Auction, and the Debtors may, in their discretion, select a Back-Up Bid as set forth in the Bid Procedures. The Successful Bidder and Back-Up Bidder, following the completion of the Auction, must increase their Good Faith Deposit so that they equal 10% of such Successful Bid or Back-Up Bid, as applicable.

**(ii) Partial Bids**

22. If any of the Qualified Bids submitted by the Bid Deadline are structured as a purchase of less than all or substantially all of the Debtors' assets (each such bid, a "Partial Bid"), the Debtors may conduct separate auctions at the Auction for each lot of assets (each, an "Auction Lot") subject to a Partial Bid. Any Partial Bid must meet all of the requirements of a Qualified Bid, unless otherwise modified herein, including without limitation, the Good Faith Deposit. The Debtors may also combine multiple Partial Bids into an Auction Lot to compete against Qualified Bids for all of the Debtors' assets.

**(iii) Designation Procedures**

23. The Debtors are seeking approval of the Designation Procedures for notifying counterparties to Contracts and Leases of proposed Cure Amounts (as defined below) and the timing of assumption and assignment or rejection with respect to those Contracts and Leases that the Debtors propose to assume and assign to the Successful Bidder. The following is a summary of the Designation Procedures:

- a. **Cure Notice.** On or before one week after the Petition Date, or as soon thereafter as practicable, the Debtors shall file with the Court a notice of the proposed assumption and assignment of certain Contracts and Leases in connection with the Sale, substantially in the form attached as **Exhibit 2** to the Bid Procedures Order (the "Cure Notice"). The Debtors will serve the Cure Notice via first class mail on all non-Debtor counterparties to Contracts and Leases, and their respective known counsel, and provide a copy of same to the Contract Party and the Stalking Horse Bidder. The Cure Notice shall inform each recipient that its respective Contract or Lease may be designated by the Contract Party (as defined below) as either assumed or rejected and the timing and procedures relating to such designation, and, to the extent practicable (i) the title of the Contract or Lease, (ii) the name of the counterparty to the Contract or Lease, (iii) the Debtors' good faith estimates of the cure amounts required in connection with such Contract or Lease (the "Cure Amount"), (iv) the identity of the Contract Party and (v) the deadline by which any such Contract or Lease counterparty may file an objection to the proposed assumption and assignment and/or cure amount, and the procedures relating thereto; provided, however, that service of a Cure Notice does not constitute an admission that such Contract or Lease is an executory

contract or unexpired lease. If the Debtors identify additional Contracts or Leases that might be assumed by the Debtors and assigned to the Contract Party, the Debtors will promptly send a supplemental Cure Notice to the applicable counterparties to such Contract or Lease.

- b. **Adequate Assurance.** The Debtors shall serve by first class mail (or by electronic mail, if available) one week after the Petition Date the evidence of adequate assurance of future performance under the Contracts and Leases provided in connection with the Stalking Horse Bidder, including the legal name of the proposed assignee, the proposed use of any leased premises, general information about the proposed assignee's financial wherewithal and a contact person with the proposed assignee whom counterparties may contact if they wish to obtain further information regarding the proposed assignee. No later than three (3) business days after the Bid Deadline, the Debtors shall serve on affected counterparties and their respective known counsel by electronic mail (if available) or first class mail the adequate assurance information provided by each Qualified Bidder.
- c. **Objections.** Objections, if any, to the proposed assumption and assignment of any Contract or Lease or to the cure amount proposed with respect thereto must: (i) be in writing, (ii) comply with the applicable provisions of the Bankruptcy Rules, Local Rules and any other orders of the Court, (iii) state with specificity the nature of the objection and, if the objection pertains to the proposed cure amount, the correct cure amount alleged by the objecting counterparty, together with any applicable and appropriate documentation in support thereof and (iv) be filed with the Court and served so as to be actually received by the Notice Parties before the Sale Objection Deadline.

Following the Debtors' selection of the Successful Bidder and the Back-Up Bidder, if any, at the conclusion of the Auction, the Debtors shall announce the Successful Bidder and the Back-Up Bidder, if any, and shall file with the Court a notice of the Successful Bidder and the Back-Up Bidder, if any. If and only if the Stalking Horse Bidder is not the Successful Bidder for the Acquired Assets, counterparties to the Debtors' Contracts and Leases shall have until September 25, 2025, at 11:59 p.m. (ET) (the "Supplemental Adequate Assurance Objection Deadline") to object to the assumption and assignment of a Contract or Lease (a "Supplemental Adequate Assurance Objection") solely on the issue of whether the Successful Bidder can provide adequate assurance of future performance as required by section 365 of the Bankruptcy Code. For the avoidance of doubt, if the Stalking Horse Bidder is the Successful Bidder, all adequate assurance objections must be filed by the Sale Objection Deadline.

- d. **Dispute Resolution.** Any objection to the proposed assumption and assignment or related cure of a Contract or Lease in connection with the proposed sale that remains unresolved as of the Sale Hearing shall be heard

at the Sale Hearing or such later hearing if the objection is not resolved and the Debtors determine that an adjournment is appropriate. To the extent any such objection is resolved or determined unfavorably to the applicable Debtor, the Debtors may, subject to the terms of an agreement with the Successful Bidder, seek to reject the applicable Contract or Lease after such determination.

24. Any party who fails to timely file an objection to its scheduled cure amount listed on the Cure Notice or to the assumption and assignment of a Contract or Lease (i) shall be forever barred, estopped and enjoined from objecting thereto, including (a) making any demands for additional cure amounts or monetary compensation on account of any alleged defaults for the period prior to the applicable objection deadline against the Debtors, their estates or the Contract Party or the Stalking Horse Bidder or other Successful Bidder selected at the Auction, if any, with respect to any such Contract or Lease and (b) asserting that the Contract Party or the Successful Bidder has not provided adequate assurance of future performance as of the date of the Sale Order; (ii) shall be deemed to consent to (a) the sale of the Acquired Assets as approved by the Sale Order and (b) the assumption and assignment of the Contracts and Leases; and (iii) shall be forever barred and estopped from asserting or claiming against the Debtors or the assignee of the relevant Contract or Lease that any conditions to assumption and assignment of such Contract or Lease must be satisfied (pursuant to section 365(b)(1) of the Bankruptcy Code or otherwise).

**B. Scheduling and Notice**

25. Given the marketing efforts to date and the marketing and diligence period to be established by the Bid Procedures, the proposed timeline is sufficient to complete a fair and open sale process that will maximize the value received for the Debtors' assets. The most likely interested bidders are those who have already indicated interest, accessed the Data Room and had the opportunity to perform due diligence. Thus, potential bidders need a shorter length of time for due diligence to submit competing bids. If new bidders emerge, the proposed timeline will provide

them with sufficient time to perform due diligence given that the process is well understood at this juncture. Thus, the schedule is sufficient, while respecting the necessity to consummate the Sale as quickly as possible to maximize the value received for the Acquired Assets.

26. **Notice of Sale Hearing.** Within one week after the Petition Date, or as soon thereafter as practicable, the Debtors shall cause to be served, by first-class mail, postage prepaid, a sale notice (the “Sale Notice”) setting forth, among other things, the proposed dates established for submission of Qualified Bids, the Auction and the Sale Hearing, substantially in the form attached to the Bid Procedures Order as **Exhibit 3**, upon: (a) the United States Trustee for the District of Delaware (b) all known material creditors of the Debtors, including contingent, unliquidated and disputed creditors, as well as each creditor listed on the Debtors’ consolidated list of thirty (30) largest unsecured creditors, as filed with the Debtors’ chapter 11 petitions, (c) any official committee appointed in the Debtors’ cases; (d) all parties asserting a security interest in the Acquired Assets to the extent any such interest is reasonably known to the Debtors; (e) applicable federal, state, county and city tax and regulatory authorities; (f) all entities known to have expressed a written interest in a transaction with respect to the Acquired Assets or that have been identified by the Debtors or their advisors as a potential purchaser of the Acquired Assets; (g) local, state and federal authorities and agencies that have issued licenses or permits to the Debtors with respect to the operation and use of the Acquired Assets; (h) each counterparty to the Debtors’ Contracts and Leases; and (i) all parties entitled to notice pursuant to Bankruptcy Rule 2002 (collectively, the “Sale Notice Parties”).

27. **Post-Auction Supplement.** Following the Auction, the Debtors will promptly file with the Court a supplement (the “Supplement”) that will inform the Court of the results of the Auction. The Supplement will identify, among other things, (i) the Successful Bidder

as the proposed purchaser of the Acquired Assets, (ii) the amount and form of consideration to be paid by the Successful Bidder for the Acquired Assets, (iii) the Assumed Liabilities to be assumed by the Successful Bidder, and (iv) the Contracts and Leases that may be assumed by the Debtors and assigned to the Successful Bidder, or the Debtors' rights and interests therein sold and transferred to the Successful Bidder, as the case may be, in connection with the Sale. The Supplement will also include similar information relating to the Back-Up Bidder and the Back-Up Bid. In addition, the Debtors will file as soon as practicable (i) any revised proposed Sale Order approving the Sale to the Successful Bidder, (ii) a copy of the purchase agreement entered into by the Debtors and the Successful Bidder following the Auction, and (iii) any additional information or documentation relevant to the Successful Bid. The Debtors will file the Supplement on the docket for the chapter 11 cases as promptly as is reasonably practicable prior to the Sale Hearing but will not be required to serve the same on any parties-in-interest in the chapter 11 cases.

**C. Sale Order**

28. The Debtors request that this Court set the Sale Hearing for a date that is not later than September 26, 2025. At the Sale Hearing, the Debtors intend to seek entry of the Sale Order approving the Sale free and clear of all Liens to the fullest extent possible pursuant to Bankruptcy Code section 363(f), including without limitation, successor liability or similar theories (except for those Assumed Liabilities and obligations expressly assumed by the Successful Bidder) and providing that the Successful Bidder will be protected from liability for any claims owed by the Debtors. In addition, the Sale Order will have findings that the Sale is not a fraudulent conveyance. The Bid Procedures provide proper and adequate notice for these and the other terms and conditions of the bidding, Auction and Sale processes.

**BASIS FOR RELIEF REQUESTED**

**(i) Approval of the Sale is Warranted Under Bankruptcy Code Section 363(b), and the Bid Procedures, Including Entry into the Stalking Horse Agreement, Are Appropriate and in the Best Interests of the Debtors’ Estates and Creditors.**

29. Section 363(b)(1) of the Bankruptcy Code provides that, “[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate . . . .” 11 U.S.C. § 363(b)(1). Bankruptcy Code section 105(a) further provides, in relevant part, that “[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105.

30. A debtor should be authorized to sell assets out of the ordinary course of business pursuant to Bankruptcy Code section 363 if it demonstrates a sound business purpose for doing so. *See In re Federal Mogul Global, Inc.*, 293 B.R. 124, 126 (D. Del. 2003) (finding that a court should approve a debtor’s use of assets outside ordinary course of business if debtor can demonstrate a sound business justification for proposed transaction); *see also In re Montgomery Ward Holding Corp.*, 242 B.R. 147, 154 (Bankr. D. Del. 1999) (finding that the debtor’s sound business purpose justified its sale of the assets outside of the ordinary course of business).

31. Indeed, the paramount goal of a chapter 11 process is to maximize the proceeds received by the estate. *See Four B. Corp. v. Food Barn Stores, Inc. (In re Food Barn Stores, Inc.)*, 107 F.3d 558, 564–65 (8th Cir. 1997) (“[A] primary objective of the [Bankruptcy] Code [is] to enhance the value of the estate at hand.”); *In re Abbotts Dairies of Penn., Inc.*, 788 F.2d 143, 149 (3d Cir. 1986) (noting the fairness and reasonableness of prices); *Official Comm. of Subordinated Bondholders v. Integrated Res., Inc. (In re Integrated Res., Inc.)*, 147 B.R. 650, 659 (S.D.N.Y. 1992) (“It is a well-established principle of bankruptcy law that the . . . debtor’s duty . . . is to obtain the highest price or greatest overall benefit possible for the estate.”) (quoting *Cello Bag Co. v. Champion Intl Corp. (In re Atlanta Packaging Prods., Inc.)*, 99 B.R. 124, 131

(Bankr. N.D. Ga. 1988)); *In re Summit Global Logistics, Inc.*, No. 08-11566, 2008 WL 819934, at \*14 (Bankr. D.N.J. Mar. 26, 2008) (describing a proposed transaction as one that “maximize[d] value and return to interested parties.”). To that end, courts have recognized that procedures intended to enhance competitive bidding are consistent with the goal of maximizing the value received by the estate of a debtor and therefore are appropriate. *See Integrated*, 147 B.R. at 659 (providing that such procedures “encourage bidding . . . to maximize the value of the debtor’s assets.”); *In re Fin. News Network Inc.*, 126 B.R. 152, 156 (S.D.N.Y. 1991) (“[C]ourt-imposed rules for the disposition of assets [should] provide an adequate basis for comparison of offers, and [should] provide for a fair and efficient resolution of bankrupt estate.”).

32. With this in mind, courts defer to a debtor’s business judgment in the context of bidding and auction procedures. *See In re Trans World Airlines Inc.*, No. 01-0056, 2001 WL 1820326, at \*10 (Bankr. D. Del. Apr. 2, 2001) (“It is not the function of a bankruptcy court to independently exercise a business judgment as to which proposal among competing proposals should be adopted by the debtor in effecting a § 363(b) sale.”).

33. In exercising their fiduciary duties and in the sound exercise of the Debtors’ business judgment, the Debtors have determined that the Bid Procedures, including entry into the Stalking Horse Agreement, are the most appropriate method for encouraging competing bids that will maximize creditor recoveries and that will ensure the value received for the Acquired Assets is the highest and best the market can generate.

34. The Bid Procedures provide a framework to facilitate and entertain bids for the Acquired Assets and, if such bids are received, to conduct an Auction in an orderly yet competitive fashion, thereby encouraging bids that maximize the value realized from a sale of the Acquired Assets. In particular, the Bid Procedures contemplate an open and fair auction process

with minimum barriers to entry and provide Potential Bidders with sufficient time to perform due diligence, many of whom will have likely performed due diligence in the very recent past, and acquire the information necessary to submit a timely and well-informed bid. *See In re Federal Mogul*, 293 B.R. 124, at 126.

35. The Bid Procedures provide the Debtors with an adequate opportunity to consider competing bids and select the highest acceptable offer for the purchase of substantially all the Debtors' assets. The Debtors therefore believe that submitting the purchase of the Acquired Assets to a market-based test will ensure maximum recovery for all stakeholders. Accordingly, the Debtors and their stakeholders can be assured that the consideration obtained will be fair and reasonable and at or above market. *In re Summit Global Logistics*, 2008 WL 819934, at \*14.

36. If the Debtors do not receive any Qualified Bids (other than the Stalking Horse Bid), the Debtors will (i) notify all Potential Bidders and the Court in writing that (a) the Auction is cancelled and (b) the Stalking Horse Bid is the Successful Bid, and (ii) seek authority at the Sale Hearing to consummate the Sale transactions with the Stalking Horse Bidder contemplated by its Stalking Horse Agreement.

37. Similar bidding, auction and notice procedures have been previously approved by this Court in other chapter 11 cases. *See, e.g., In re Royal Interco, LLC, et al.*, Case No. 25-10674 (TMH) (Bankr. D. Del. May 6, 2025); *In re Coach USA, Inc.*, Case No. 24-11258 (MFW) (Bankr. D. Del. July 16, 2024); *In re Dermitech, Inc.*, Case No. 24-11378 (JTD) (Bankr. D. Del. July 15, 2024); *In re Vyair Medical, Inc.*, 24-11217 (BLS) (Bankr. D. Del. July 11, 2024); *In re MRRC Hold Co.*, Case No. 24-11164 (CTG) (Bankr. D. Del. July 10, 2024); *In re Ambri Inc.*, Case No. 24-10952 (LSS) (Bankr. D. Del. June 12, 2024); *In re Near Intelligence, Inc.*, Case No. 23-11962 (TMH) (Bankr. D. Del. Jan. 23, 2024).

38. In sum, the Debtors believe that the proposed Bid Procedures, including entry into the Stalking Horse Agreement, create an appropriate framework for expeditiously establishing that the Debtors are receiving the best and highest offer for the Acquired Assets. Accordingly, the proposed Bid Procedures and the Stalking Horse Agreement are reasonable, appropriate, and within the Debtors' sound business judgment under the circumstances.

**(ii) Approval of the Bid Protections is Appropriate.**

39. The Debtors believe that the Bid Protections are fair and reasonable under the circumstances. The Bid Protections provided for in the Stalking Horse Agreement were negotiated at arm's-length and in good faith and were a necessary inducement to Stalking Horse Bidder's participation in the proposed sale transaction and willingness to subject its bid to a competitive auction process. As discussed below, the Stalking Horse Bid sets a "floor" value for the Acquired Assets that maximizes the likelihood that the Debtors will receive the highest acceptable offer for the Acquired Assets to the benefit of the Debtors' estates.

40. Approval of the Bid Protections is governed by standards for determining the appropriateness of bid protections in the bankruptcy context. In *O'Brien*, the Third Circuit reviewed the following nine factors set forth by the lower court as relevant in deciding whether to award bid protections:

- a. the presence of self-dealing or manipulation in negotiating the break-up fee;
- b. whether the fee harms, rather than encourages, bidding;
- c. the reasonableness of the break-up fee relative to the purchase price;
- d. whether the unsuccessful bidder placed the estate property in a "sale configuration mode" to attract other bidders to the auction;
- e. the ability of the request for a break-up fee to serve to attract or retain a potentially successful bid, establish a bid standard or minimum for other bidders or attract additional bidders;
- f. the correlation of the fee to a maximum value of the debtor's estate;

- g. the support of the principal secured creditors and creditors' committees of the break-up fee;
- h. the benefits of the safeguards to the debtor's estate; and
- i. the substantial adverse impact of the break-up fee on unsecured creditors, where such creditors are in opposition to the break-up fee.

*See In re O'Brien Envtl. Energy, Inc.*, 181 F.3d at 536.

41. Although none of the factors is dispositive, an application of the facts to several of such factors supports the approval of the Bid Protections. In particular, the Bid Protections are necessary to preserve the value of the Debtors' estates because they will enable the Debtors to establish an adequate floor value for the Acquired Assets and to therefore insist that competing bids be materially higher or otherwise better than the Stalking Horse Bid—a clear benefit to the Debtors' estates. The Stalking Horse Bidder would not agree to act as a stalking horse without the Bid Protections given the substantial time and expense it has incurred in connection with negotiating definitive documentation and the risk that it will be outbid at the Auction. Without the Bid Protections, the Debtors might lose the opportunity to obtain the highest acceptable offer for the Acquired Assets and would certainly lose the downside protection that will be afforded by the existence of the Stalking Horse Bidder. As discussed in the First Day Declaration, the purchase price contemplated by the Stalking Horse Bid is substantially higher than any other potential bids received as of filing and represents a superior recovery for the estate to the alternatives, including the sizable risk of a chapter 7 liquidation. The bid of the Stalking Horse Bidder sends a message to all potential bidders that the Acquired Assets are at least worth the Purchase Price and puts pressure on potential competing bidders to “put their best foot forward” in formulating their bids. Therefore, without the benefit of the bid of the Stalking Horse Bidder, the bids received at the Auction for the Acquired Assets could be substantially lower than the bid offered by the Stalking Horse Bidder.

42. In addition, the Bid Protections were the product of hard-fought negotiations between the Debtors, their key creditor constituencies, and the Stalking Horse Bidder, in which the Debtors sought to both minimize the magnitude of Bid Protections payable and limit the circumstances under which they are payable. The resulting Bid Protections fall within the range of stalking horse bid protections approved in this District and others. *In re iSun, Inc.*, 24-11144 (TMH) (Bankr. D. Del. 2024) (approving a 5% Break-Up Fee); *In re PlastiQ Inc.*, 23-10671 (BLS) (Bankr. D. Del. 2023) (same); *In re Orexigen Therapeutics, Inc.*, 18-10518 (JTC) (Bankr. D. Del. 2018) (same); *In re ATopTech, Inc.*, 17-10111 (MFW) (Bankr. D. Del. 2017) (same).

43. Finally, payment of the Bid Protections in the context of a sale to another purchaser will not diminish the Debtors' estates to the extent they become payable, as the Bid Procedures require that any competing bid must exceed the Stalking Horse Bid by an amount in excess of the Bid Protections. Accordingly, based on the foregoing, the Debtors submit that the Bid Protections reflect a sound business purpose, are fair and appropriate under the circumstances, and should be approved.

**(iii) The Acquired Assets Should Be Sold Free and Clear of Claims, Liens and Encumbrances Under 11 U.S.C. § 363(f).**

44. In the interest of attracting the best offers, the Debtors request authorization to sell the Acquired Assets free and clear of any and all liens, claims, encumbrances, and other interests in accordance with section 363(f) of the Bankruptcy Code, with any such liens, claims, encumbrances, and other interests attaching to the proceeds of the sale of the Acquired Assets and distributed as provided for in a further order of the Court.

45. Under section 363(f) of the Bankruptcy Code, a debtor may sell estate property free and clear of liens, claims, encumbrances, and other interests if one of the following conditions is satisfied:

- i. applicable nonbankruptcy law permits sale of such property free and clear of such interest;
- ii. such entity consents;
- iii. such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;
- iv. such interest is in bona fide dispute; or
- v. such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

11 U.S.C. § 363(f). Because section 363(f) of the Bankruptcy Code is written in the disjunctive, satisfaction of any one of its five requirements will suffice to permit the sale of the Acquired Assets “free and clear” of liens, claims, encumbrances, and other interests. *See, e.g., In re Dura Automotive Sys., Inc.*, 2007 WL 7728109, at \*6 n.32 (Bankr. D. Del. Aug. 15, 2007).

46. Furthermore, section 105(a) of the Bankruptcy Code grants the Court broad discretionary powers, providing that “[t]he Court may issue any order, process or judgment that is necessary or appropriate to carry out the provisions” of the Bankruptcy Code. 11 U.S.C. § 105(a). This equitable power may be utilized to effectuate the provisions of section 363(f). *See, e.g., In re Trans World Airlines, Inc.*, 2001 WL 1820325, at \*6–7 (Bankr. D. Del. Mar. 27, 2001) (highlighting bankruptcy courts’ equitable authority to authorize sale of estate assets free and clear).

47. The Debtors will present evidence at the Sale Hearing that the Sale satisfies the requirements of section 363(f). Accordingly, the Debtors request authorization to sell the Acquired Assets free and clear of all liens, claims, encumbrances, and other interests.

**(iv) A Successful Bidder Should Be Entitled to the Protections of Bankruptcy Code Section 363(m).**

48. Pursuant to section 363(m) of the Bankruptcy Code, a good faith purchaser is one who purchases assets for value, in good faith, and without notice of adverse claims. *See In re Abbotts Dairies of Penn.*, 788 F.2d at 147; *Miami Ctr. Ltd. P’ship v. Bank of New York*, 838

F.2d 1547, 1554 (11th Cir. 1988); *In re Mark Bell Furniture Warehouse, Inc.*, 992 F.2d 7, 9 (1st Cir. 1993); *In re Willemain v. Kivitz*, 764 F.2d 1019, 1023 (4th Cir. 1985); *In re Congoleum Corp.*, Case No. 03-51524, 2007 WL 1428477 (Bankr. D.N.J. May 11, 2007); *In re Temtechco, Inc.*, 1998 WL 887256, at \*4 (D. Del. 1998).

49. As noted above, any asset purchase agreement executed by a Successful Bidder (including the Stalking Horse Agreement) will have been negotiated at arm's-length and in good faith in accordance with the Bid Procedures, with each of the parties represented by its own advisors and counsel. Accordingly, the Debtors request that the Sale Order include a provision that any Successful Bidder for the Acquired Assets is a "good faith" purchaser within the meaning of section 363(m) of the Bankruptcy Code. The Debtors maintain that providing the Successful Bidder with such protection will ensure that the maximum price will be received by the Debtors for the Acquired Assets.

**(v) Assumption and Assignment of Certain Executory Contracts and Unexpired Leases Should Be Authorized.**

50. Section 365(a) of the Bankruptcy Code provides, in pertinent part, that a debtor in possession, "subject to the court's approval, may assume or reject any executory contract or [unexpired] lease of the debtor." 11 U.S.C. § 365(a). A debtor may assume or reject an executory contract or unexpired lease if its reasonable business judgment supports assumption or rejection. *See, In re Stable Mews Assoc., Inc.*, 41 B.R. 594, 596 (Bankr. S.D.N.Y. 1984); *see also Grp. of Institutional Investors v. Chicago M. St. P. & P.R.R. Co.*, 318 U.S. 523 (1943); *Sharon Steel Corp. v. Nat'l Fuel Gas Distrib. Corp.*, 872 F.2d 36, 39-40 (3d Cir. 1989). The business judgment test "requires only that the trustee [or debtor in possession] demonstrate that [assumption or] rejection of the contract will benefit the estate." *Wheeling-Pittsburgh Steel Corp. v. West Penn Power Co. (In re Wheeling-Pittsburgh Steel Corp.)*, 72 B.R. 845, 846 (Bankr. W.D. Pa. 1987)

(quoting *Stable Mews*). Any more exacting scrutiny would slow the administration of a debtor's estate and increase costs, interfere with the Bankruptcy Code's provision for private control of administration of the estate, and threaten the court's ability to control a case impartially. See *Richmond Leasing Co. v. Capital Bank, N.A.*, 762 F.2d 1303, 1311 (5th Cir. 1985).

51. Pursuant to section 365(b)(1) of the Bankruptcy Code, for a debtor to assume an executory contract, it must "cure, or provide adequate assurance that the debtor will promptly cure," any default which is required to be cured, including compensating or providing adequate assurance of prompt compensation for any "actual pecuniary loss" relating to such default. 11 U.S.C. § 365(b)(1). The Designation Procedures are appropriate and reasonably tailored to provide counterparties to Contracts and Leases with adequate notice of the proposed assumption and assignment of their Contracts and Leases, as well as proposed cure amounts, if any. Such counterparties will then be given an opportunity to object to such cure amounts and assumption and assignment of their Contracts and Leases. The Designation Procedures further provide that, in the event an objection is not resolved, the Court will determine the disputed issues. Therefore, the Debtors submit that implementation of the Designation Procedures is appropriate under the facts and circumstances of the chapter 11 cases and the proposed Sale.

52. Once an executory contract is assumed, the trustee or debtor in possession may elect to assign such contract. See *In re Rickel Home Centers, Inc.*, 209 F.3d 291, 299 (3d Cir. 2000) ("The Code generally favors free assignability as a means to maximize the value of the debtor's estate."); see also *In re Headquarters Dodge, Inc.*, 13 F.3d 674, 682 (3d Cir. 1994) (noting that the purpose of section 365(f) is to assist a trustee in realizing the full value of the debtor's assets). Section 365(f) of the Bankruptcy Code provides that the "trustee may assign an executory contract . . . only if the trustee assumes such contract . . . and adequate assurance of future

performance is provided.” 11 U.S.C. § 365(f)(2). The meaning of “adequate assurance of future performance” depends on the facts and circumstances of each case, but should be given “practical, pragmatic construction.” See *Carlisle Homes, Inc. v. Arrari (In re Carlisle Homes, Inc.)*, 103 B.R. 524, 538 (Bankr. D.N.J. 1989); see also *In re Natco Indus., Inc.*, 54 B.R. 436, 440 (Bankr. S.D.N.Y. 1985) (adequate assurance of future performance does not mean absolute assurance that debtor will thrive and pay rent). Among other things, adequate assurance may be given by demonstrating the assignee’s financial health and experience in managing the type of enterprise or property assigned.

53. The Debtors submit that the assumption and assignment of Contracts and Leases to the Stalking Horse or any other Successful Bidder (as applicable), as of the Closing Date is necessary to the consummation of the Sale and is well within the Debtors’ sound business judgment. Those Contracts and Leases are essential to inducing the highest acceptable offer for the Acquired Assets because they are necessary to run the Debtors’ business. It is unlikely that any purchaser would want to acquire any company on a going-concern basis unless a significant number of the Contracts and Leases needed to conduct the business and manage the day-to-day operations are included in the transaction. In addition, the Stalking Horse Agreement and Sale Order provide that the Stalking Horse Bidder will have (i) cured and/or provided adequate assurance of cure of any default required to be cured and existing prior to the assumption and assignment; and (ii) provided compensation or adequate assurance of compensation to any counterparty for actual pecuniary loss to such party resulting from such default.

54. Counterparties to the Debtors’ Contracts and Leases will be provided with a Cure Notice and will have an opportunity to object to the potential assumption and assignment of their Contracts and Leases prior to the entry of the Sale Order. The Debtors propose that any

counterparty that fails to object to the proposed assumption and assignment of its contract or lease will be deemed to consent to that assumption and assignment pursuant to section 365 of the Bankruptcy Code on the terms set forth in the proposed Bid Procedures Order and Sale Order, and to the cure amounts identified in the Cure Notice. *See, e.g., In re Tabone, Inc.*, 175 B.R. 855, 858 (Bankr. D.N.J. 1994) (holding that creditor was deemed to have consented to sale by not objecting to sale motion).

55. Accordingly, the Debtors submit that the assumption and assignment to the Stalking Horse Bidder or other Successful Bidder of the Debtors' Contracts and Leases should be approved as an exercise of the Debtors' sound business judgment.

**E. No Consumer Privacy Ombudsman Need Be Appointed**

56. Pursuant to section 363(b)(1) of the Bankruptcy Code, the Debtors may not sell personally identifiable information if the Debtors, in connection with offering their products or services, have a policy prohibiting the transfer of such information and if such policy is in effect on the day of the commencement of the case, unless "such sale or such lease is consistent with such policy." 11 U.S.C. § 363(b)(1).

57. The Debtors privacy policy specifically allowed the Debtors to transfer some or all of a customer's information if the Debtors were to undergo a business transition, like a merger, acquisition, or sale of all or a portion of their assets. As the Bid Procedures contemplate and require the execution of confidentiality agreements in connection with due diligence and the proposed Sale, the Debtors submit that they may transfer their personally identifiable information to any Successful Bidder without the need for a consumer privacy ombudsman to be appointed. *See, e.g., In re Crucible Materials Corp.*, 2009 Bankr. LEXIS 4893, at \*16 (Bankr. D. Del. Aug. 31, 2009) (no appointment of consumer privacy ombudsman required where sale assets complied

with debtors' privacy policy); *In re Penn Traffic Co.*, 2010 Bankr. LEXIS 5399, at \*14 (Bankr. D. Del. Jan. 8, 2010) (same).

**F. The Proposed Notice is Appropriate Under Bankruptcy Rule 2002.**

57. The notices contemplated by the Bid Procedures give notice of the proposed Sale including a disclosure of the time and place of an Auction, the terms and conditions of the Sale, and the deadline for filing any objections. The Debtors submit that the notice procedures comply with Bankruptcy Rule 2002 and include information regarding the Bid Procedures necessary to enable interested bidders to participate in the Auction, and constitute good and adequate notice of the Bid Procedures and the other components of the Auction. Therefore, the Debtors respectfully request this Court approve the proposed notice procedures.

**F. Relief from Bankruptcy Rules 6004(h) and 6006(d) is Appropriate.**

58. The Debtors also request that the Court waive the stay imposed by Bankruptcy Rule 6004(h), which provides that "[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise." Fed. R. Bankr. P. 6004(h). To preserve the value of the Debtors' estates and limit the costs of administering and preserving the Acquired Assets, it is critical that the Debtors close the sale of the Acquired Assets as soon as possible after all closing conditions have been met or waived. Accordingly, the Debtors hereby request that the Court waive the fourteen-day stay periods under Bankruptcy Rules 6004(h) and 6006(d).

**NOTICE**

59. The Debtors will provide notice of this Motion to: (a) the Office of the United States Trustee for the District of Delaware; (b) counsel to the Proposed DIP Lender;<sup>4</sup> (c)

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<sup>4</sup> Capitalized terms used in this section but not otherwise defined in this Motion have the meanings ascribed to them in *Debtors' Motion for Interim and Final Orders (I) Authorizing Secured Post-Petition*

counsel to the ABL Lender; (d) the parties included on the Debtors' consolidated list of their 30 largest unsecured creditors; (e) the Internal Revenue Service; (f) the United States Department of Justice; (g) entities known to have expressed a bona fide interest in a transaction with respect to the Acquired Assets; (h) all entities known to have asserted any lien, claim or encumbrance in or upon any of the Acquired Assets; (i) all federal, state and local environmental, regulatory or taxing authorities or recording offices which have a reasonably known interest in the relief requested by the Motion; and (j) all parties who have requested notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested in this Motion, the Debtors respectfully submit that no further notice is necessary.

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*Financing Pursuant to 11 U.S.C. § 364, (II) Authorizing the Use of Cash Collateral, (III) Granting Adequate Protection Pursuant to 11 U.S.C. §§ 361, 363, and 364, (IV) Scheduling a Final Hearing and (V) Granting Related Relief.*

**CONCLUSION**

WHEREFORE, the Debtors request this Court to enter the Bid Procedures Order, the Sale Order and further relief as the Court may deem just and appropriate.

Dated: August 28, 2025  
Wilmington, Delaware

Respectfully submitted,

**MORRIS, NICHOLS, ARSHT & TUNNELL LLP**

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*Proposed Counsel to the Debtors and  
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**EXHIBIT A**

**Proposed Bid Procedures Order**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re

WALKER EDISON HOLDCO LLC, *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 25-11602 (TMH)

(Jointly Administered)

**ORDER PURSUANT TO SECTIONS 105, 363, 364, 365 AND 541 OF THE  
BANKRUPTCY CODE, BANKRUPTCY RULES 2002, 6004, 6006 AND 9007 AND  
DEL. BANKR. L.R. 2002-1 AND 6004-1 (A) APPROVING BID PROCEDURES FOR  
THE SALE OF SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS; (B)  
APPROVING THE DEBTORS' ENTRY INTO STALKING HORSE AGREEMENT AND  
RELATED BID PROTECTIONS; (C) APPROVING PROCEDURES FOR THE  
ASSUMPTION AND ASSIGNMENT OR REJECTION OF DESIGNATED  
EXECUTORY CONTRACTS AND UNEXPIRED LEASES; (D) SCHEDULING AN  
AUCTION AND SALE HEARING; (E) APPROVING FORMS AND MANNER OF  
NOTICE OF RESPECTIVE DATES, TIMES, AND PLACES IN CONNECTION  
THEREWITH; AND (F) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)<sup>2</sup> of the debtors and debtors in possession (the “Debtors”) in the above-captioned jointly administered chapter 11 cases, for entry of an order (the “Order”), pursuant to sections 105(a), 363, 365, 503 and 507 of title 11 of the United States Code (the “Bankruptcy Code”), Rules 2002, 6004 and 6006 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 6004-1 of the Local Rules of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), (i) authorizing and approving certain proposed bid procedures (as attached hereto as **Exhibit 1**, the “Bid Procedures”) governing the submission of competing proposals to purchase the Acquired Assets pursuant to section 363

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<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor’s federal EIN, are as follows: Walker Edison Holdco LLC (8817); Walker Edison Intermediate, LLC (3363); Walker Edison Furniture Company LLC (6576); and EW Furniture, LLC (6288). The Debtors’ mailing address is 1553 W 9000 S, West Jordan, UT 84088.

<sup>2</sup> Capitalized terms not defined herein are defined in the Motion.

of the Bankruptcy Code, authorizing and approving the Debtors' entry into (but not consummation of) the Asset Purchase Agreement (substantially in the form attached to the Motion as **Exhibit B** and, together with all exhibits and schedules thereto, the "Stalking Horse Agreement"), by and among the Debtors and Twin-Star International, Inc. (the "Stalking Horse Bidder"), pursuant to which the Debtors have agreed to sell the Acquired Assets to the Stalking Horse Bidder, subject to the terms and conditions contained in the Stalking Horse Agreement, (iii) approving the form and manner of notice of the sale of the Acquired Assets (the "Sale Notice"), (iv) scheduling a hearing for approval of the sale of the Acquired Assets (the "Sale Hearing") and setting other related dates and deadlines and (v) approving procedures for the assumption and assignment of the Debtors' executory contracts (the "Contracts") and unexpired leases (the "Leases") and the form of and manner of notice of proposed cure amounts; and it appearing that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors and all other parties in interest; and after due deliberation, and good and sufficient cause appearing therefor,

**IT IS HEREBY FOUND AND DETERMINED THAT:**

A. This Court has jurisdiction to consider the Motion in accordance with 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated as of February 29, 2012.

B. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and the Court may enter a final order consistent with Article III of the United States Constitution. Venue of this proceeding and the Motion is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

C. The statutory and legal predicates for the relief requested in the Motion and provided for herein are sections 105(a), 363, 365, 503 and 507 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004 and 6006, and Local Rule 6004-1.

D. Good and sufficient notice of the relief granted by this Order has been given and no further notice is required. A reasonable opportunity to object or be heard regarding the relief granted by this Order has been afforded to those parties entitled to notice pursuant to Local Rule 2002-1(b) and all other interested parties.

E. The Debtors have articulated good and sufficient reasons for the Court to approve the Bid Procedures. Such good and sufficient reasons were set forth in the Motion, are incorporated by reference herein, and, among other things, form the basis for the findings of fact and conclusions of law set forth herein.

F. The Bid Procedures are fair, reasonable and appropriate and are designed to maximize the value to be received by the Debtors' estates and creditors. The Bid Procedures and all such steps taken by the Debtors in connection with the implementation of the Bid Procedures and this Order shall be deemed reasonable and appropriate and within the sound business judgment of the Debtors pursuant to section 363(b) of the Bankruptcy Code.

G. The Stalking Horse Agreement was entered into in good faith by the Debtors and the Stalking Horse Bidder, and is the result of a good faith, arm's-length negotiation between the parties that are each represented by sophisticated legal counsel.

H. The Debtors have demonstrated compelling and sound business justifications for entering into the Stalking Horse Agreement and incurring the administrative obligations arising thereunder or in connection therewith, and the timing and procedures set forth therein.

J. The Sale Notice, substantially in the form attached hereto as **Exhibit 3**, is reasonably calculated to provide all interested parties with timely and proper notice of the proposed sale, including: (i) the date, time and place of the Auction (if one is held), (ii) the Bid Procedures

and certain dates and deadlines related thereto, (iii) the objection deadline for the sale motion and the date, time and place of the Sale Hearing, (iv) instructions for promptly obtaining a copy of the Stalking Horse Agreement, (v) representations describing the proposed sale as being free and clear of liens, claims, interests and other encumbrances, with all such liens, claims, interests and other encumbrances attaching with the same validity and priority to the sale proceeds, and (vi) notice of the proposed assumption and assignment of Contracts and Leases to either an affiliate of the Stalking Horse Bidder or an affiliate of any designee of the Stalking Horse Bidder (such party, the “Contract Party”) pursuant to the Stalking Horse Agreement (or to another Successful Bidder selected at the Auction, if any) and the procedures and deadlines for objecting thereto. No other or further notice of the proposed Sale shall be required.

K. The Cure Notice attached hereto as **Exhibit 2** is reasonably calculated to provide all non-Debtor counterparties to the Debtors’ Contracts and Leases with proper notice of the potential assumption and assignment of their Contract or Lease, the proposed cure amounts relating thereto and the related assumption and assignment procedures; provided that the mere listing of any Contract or Lease on the Cure Notice does not require or guarantee that such Contract or Lease will be assumed and assigned, and all rights of the Debtors with respect to such Contracts and Leases are reserved.

L. The Bid Procedures comply with the requirements of Local Rule 6004-1.

M. The appointment of a consumer privacy ombudsman pursuant to section 363(b)(1) or section 332 of the Bankruptcy Code is not required with respect to the Sale of the Acquired Assets.

N. The legal and factual bases set forth in the Motion establish just cause for the relief granted herein. Entry of this Order is in the best interests of the Debtors' estates, their creditors and all other interested parties.

O. To the extent payable under this Order and in accordance with the Stalking Horse Agreement, the Bid Protections: (i)(a) are actual and necessary costs of preserving the Debtors' estates within the meaning of section 503(b) of the Bankruptcy Code and (b) shall be treated as an allowed superpriority administrative claim status in the Chapter 11 Cases pursuant to sections 503(b) and 507(a)(2) of the Bankruptcy Code; (ii) are commensurate to the real and material benefits conferred upon the Debtors' estates by the Stalking Horse Bidder; (iii) are reasonably tailored to encourage, rather than chill, bidding for the Acquired Assets, by providing a baseline of value, increasing the likelihood of competitive bidding at the Auction, and facilitating participation of other bidders in the sale process, thereby increasing the likelihood that the Debtors will receive the best possible price and terms for the Acquired Assets; (iv) are a material inducement for, and condition necessary to, ensure that the Stalking Horse Bidder will continue to pursue the transaction contemplated by the Stalking Horse Agreement; and (v) are reasonable in relation to the Stalking Horse Bidder's efforts and to the magnitude of the proposed transaction and the Stalking Horse Bidder's lost opportunities resulting from the time spent pursuing such transaction. Unless it is assured that the Bid Protections are available, the Stalking Horse Bidder is unwilling to remain obligated to consummate the transaction or otherwise be bound by the Stalking Horse Agreement.

**NOW, THEREFORE, IT IS HEREBY ORDERED THAT:**

1. The Motion is hereby **GRANTED** as set forth herein.
2. All objections filed, if any, in response to the Motion or the relief requested therein that have not been withdrawn, waived, settled, or specifically addressed in this Order, and all reservations of rights included in such objections, are specifically overruled in all respects on the merits.

**The Bid Procedures**

3. The Bid Procedures attached hereto as **Exhibit 1** are approved, and the Debtors are authorized to take any and all actions necessary or appropriate to implement the Bid Procedures. To the extent of any conflict between the Bid Procedures and this Order, the Bid Procedures shall govern.

4. The Bid Procedures shall govern the submission, receipt and analysis of all Bids, and any party desiring to submit a higher acceptable offer shall do so strictly in accordance with the terms of this Order and the Bid Procedures.

5. The following dates and deadlines regarding competitive bidding are hereby established (subject to modification in accordance with the Bid Procedures):

- a. **Bid Deadline: September 22, 2025 at 4:00 p.m. (Prevailing Eastern Time)** is the deadline by which all Qualified Bids must be actually received by the parties specified in the Bid Procedures (the “Bid Deadline”).
- b. **Auction: September 24, 2025 at 10:00 a.m. (Prevailing Eastern Time)** is the date and time of the Auction, if one is needed, which will be held at the offices of Morris Nichols Arsht & Tunnell LLP, 1201 North Market Street, 16<sup>th</sup> floor, Wilmington, DE 19801; *provided, however*, that the

Debtors in their discretion, in consultation with the Consultation Parties, shall have the right to hold the Auction at another place or virtually, with instructions for Qualified Bidders to participate to be provided prior to the Auction, with notice to all Qualified Bidders and any other invitees.

6. Only a Qualified Bidder that has submitted a Qualified Bid by the Bid Deadline will be eligible to participate at the Auction. As described in the Bid Procedures, if the Debtors do not receive any Qualified Bids other than from the Stalking Horse Bidder, the Debtors may cancel the Auction, name the Stalking Horse Bidder as the Successful Bidder, and seek final approval at the Sale Hearing of the sale of the Acquired Assets to the Stalking Horse Bidder, in accordance with the terms of the Stalking Horse Agreement.

7. If the Auction is conducted, (i) each Qualified Bidder participating in the Auction shall be required to confirm that it has not engaged in any collusion with respect to the bidding process or the sale, (ii) each Qualified Bidder participating in the Auction shall be required to confirm that its Qualified Bid is a good faith, bona fide offer and it intends to consummate the proposed transaction if selected as the Successful Bidder and (iii) the Auction shall be conducted openly and shall be transcribed or videotaped.

**Approval of Debtors' Entry into the Stalking Horse Agreement**

8. The Debtors are hereby authorized to designate Twin-Star International, Inc. together with any designated affiliate thereof, as the Stalking Horse Bidder.

9. The Debtors are authorized, pursuant to sections 105(a) and 363(b) of the Bankruptcy Code, to enter into and perform under the Stalking Horse Agreement, subject to the solicitation of higher or otherwise better offers for the Acquired Assets (as defined in the Stalking Horse Agreement) and entry of the Sale Order. Subject to entry of the Sale Order, the Stalking

Horse Agreement shall be binding and enforceable on the Debtors' estates, the Stalking Horse Bidder and any other parties thereto in accordance with and subject to its terms, including as they relate to the Bid Procedures and related termination provisions.

10. The Stalking Horse Agreement is authorized and approved in the form attached to the Bid Procedures Motion as **Exhibit B** as the stalking horse bid for the Acquired Assets (the "Stalking Horse Bid").

11. The Stalking Horse Bidder shall be deemed a Qualified Bidder, and the Stalking Horse Bid shall be deemed a Qualified Bid, for all purposes under the Bid Procedures Order and Bid Procedures.

12. The failure to describe specifically or include any provision of the Stalking Horse Agreement or related documents in the Motion or herein shall not diminish or impair the effectiveness of such provision as to such parties. The Stalking Horse Agreement and any related agreements, documents or other instruments may be modified, amended or supplemented by the parties thereto, solely in accordance with the terms thereof, without further order of the Court.

13. The Bid Protections are approved in their entirety and (i) shall, to the extent payable under the terms of the Stalking Horse Agreement, be treated as allowed superpriority administrative claim status in these chapter 11 cases pursuant to sections 503(b) and 507(a)(2) of the Bankruptcy Code; (ii) shall not be subject to any bar date in these chapter 11 cases or any requirement to file any request for allowance of an administrative expense claim or proof of claim; (iii) shall be payable in accordance with the terms of and subject to the conditions set forth in the Stalking Horse Agreement without the need for any further approval of this Court; and (iv) shall survive the termination of the Stalking Horse Agreement and dismissal or conversion of these chapter 11 cases pursuant to the terms in the Stalking Horse Agreement. The Debtors shall file a

notice on the docket of these chapter 11 cases in the event that the Bid Protections are paid by the Debtors or their estates.

14. Subject to the Bid Procedures and entry of the Sale Order, the Debtors and Stalking Horse Bidder are granted all rights and remedies provided to them under the Stalking Horse Agreement, including, without limitation, the right to specifically enforce the Stalking Horse Agreement (including with respect to the Bid Protections and the Deposit) in accordance with its terms.

15. The Debtors are authorized to perform all of their respective pre-closing obligations under the Stalking Horse Agreement, and such obligations shall be binding upon the Debtors; *provided* that, for the avoidance of doubt, consummation of the transactions contemplated by the Stalking Horse Agreement shall be subject to entry of an order approving the sale of the Acquired Assets (the “Sale Order”) and the satisfaction or waiver of the other conditions to closing on the terms set forth in the Stalking Horse Agreement.

16. This Order, and the claims granted hereunder in favor of the Stalking Horse Bidder on account of the Bid Protections, shall be binding upon the Debtors’ estates, including any chapter 7 or chapter 11 trustee or other fiduciary appointed for the Debtors’ estates.

17. The automatic stay pursuant to section 362 of the Bankruptcy Code is hereby modified with respect to the Debtors to the extent necessary, without further order of the Court, to allow the Stalking Horse Bidder to (i) deliver any notice provided for in the Stalking Horse Agreement, including, without limitation, a notice terminating the Stalking Horse Agreement in accordance with the terms thereof and (ii) take any actions permitted under the Stalking Horse Agreement to terminate the Stalking Horse Agreement, solely to the extent permitted by the Stalking Horse Agreement, and assert any claims with respect to the Bid

Protections. All rights of the Debtors' and their estates with respect to the foregoing shall be preserved.

**Hearing and Objection Deadline**

18. The Sale Hearing shall take place in this Court on **September 26, 2025 at 10:00 a.m. (Prevailing Eastern Time)**; *provided* that the Sale Hearing may be adjourned without further notice other than announcement in open Court or by the filing of a notice on the docket of these Cases or a notice of agenda. Any obligations of the Debtors set forth in the Stalking Horse Agreement that are intended to be performed prior to the Sale Hearing and/or entry of the Sale Order pursuant to the Stalking Horse Agreement are authorized as set forth herein and are fully enforceable as of the date of entry of this Order.

19. The deadline to file objections, if any, to the transactions contemplated by the Stalking Horse Agreement or to entry of the Sale Order is **September 22, 2025 at 4:00 p.m. (Prevailing Eastern Time)** (the "**Sale Objection Deadline**"). Objections, if any, **must**: (i) be in writing, (ii) conform to the applicable provisions of the Bankruptcy Rules, the Local Rules and any orders of the Court, (iii) state with particularity the legal and factual basis for the objection and the specific grounds therefor, and (iv) be filed with the Court and served so as to be **actually received** no later than the Sale Objection Deadline, as applicable, by the following parties (the "**Notice Parties**"): (a) the Debtors Walker Edison Holdco LLC, 1553 W 9000 S, West Jordan, UT 84088, Attn: Nate Brown (nate.brown@walkeredison.com); (b) proposed counsel to the Debtors, Morris, Nichols, Arsht & Tunnell LLP, 1201 N. Market Street, 16th Floor, Wilmington, Delaware 19801, Attn: Robert J. Dehney, Sr., Esq. (rdehney@morrisnichols.com); Donna L. Culver, Esq. (dculver@morrisnichols.com); Daniel B. Butz, Esq. (dbutz@morrisnichols.com); Scott D. Jones, Esq. (sjones@morrisnichols.com); and Echo Yi Qian, Esq. (eqian@morrisnichols.com); (c) the

Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”): 844 King Street, Room 2207, Wilmington, Delaware 19801, Attn: Malcolm M. Bates, Esq. (Malcolm.M.Bates@usdoj.gov); (d) counsel to any official committee of unsecured creditors appointed in the cases (the “Committee”); (e) (i) co-counsel to the Stalking Horse Bidder, Sidley Austin LLP, 555 California Street, Suite 2000, San Francisco, CA 94104, Attn: Vijay Sekhon (vsekhon@sidley.com); Stephen E. Hessler (shessler@sidley.com); and Patrick Venter (pventer@sidley.com) and (ii) co-counsel to the Stalking Horse Bidder, Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 N King St, Wilmington, DE 19801, Attn: Michael Nestor (mnestor@ycst.com) and Robert F. Poppiti, Jr. (RPoppiti@ycst.com); (f) counsel to the Proposed DIP Lender, Whiteford, Taylor & Preston LLP, 3190 Fairview Park Drive, Suite 800, Falls Church, VA 22042 (Attn: David Gaffey, Esq. (DGaffey@whitefordlaw.com) and Brandy M. Rapp, Esq. (BRapp@whitefordlaw.com)).

### **Sale Notice and Related Relief**

20. The Sale Notice, substantially in the form attached hereto as **Exhibit 3**, is hereby approved. The Sale Notice was served upon: (a) the United States Trustee for the District of Delaware; (b) the creditors listed on the Debtors’ consolidated list of thirty 30 largest unsecured creditors, as filed with the Debtors’ chapter 11 petitions, (c) any official committee appointed in the Debtors’ cases; (d) all parties asserting a security interest in the Acquired Assets to the extent any such interest is reasonably known to the Debtors; (e) applicable federal, state, county and city tax and regulatory authorities; (f) all entities known to have expressed a written interest in a transaction with respect to the Acquired Assets or that have been identified by the Debtors or their advisors as a potential purchaser of the Acquired Assets; (g) local, state and federal authorities and agencies that have issued licenses or permits to the Debtors with respect to the operation and use

of the Acquired Assets; (h) each counterparty to the Debtors' Contracts and Leases; (i) all parties entitled to notice pursuant to Bankruptcy Rule 2002-1; and (j) all parties listed in the Debtors' creditor matrix.

### **Designation and Assumption Procedures**

21. The procedures set forth below regarding the proposed assumption and assignment of certain Contracts and Leases that may be designated to be assumed by the Debtors pursuant to section 365(b) of the Bankruptcy Code and assigned to the Stalking Horse Bidder (or the Successful Bidder selected at the Auction, if any) pursuant to section 365(f) of the Bankruptcy Code (as defined in the Stalking Horse Agreement, collectively, the "Assigned Contracts and Leases") in connection with the sale of the Acquired Assets are hereby approved (the "Designation Procedures").

22. These Designation Procedures, as may be modified or supplemented by the Sale Order, shall govern the assumption and assignment of all Assigned Contracts and Leases:

- a. **Cure Notice.** The Debtors filed with the Court a notice of the proposed assumption and assignment of certain executory contracts and unexpired leases in connection with the Sale, substantially in the form attached as **Exhibit 2** to the Bid Procedures Order (the "Cure Notice"). The Debtors served the Cure Notice via first class mail on all non-Debtor counterparties to Contracts and Leases, and their respective known counsel, and provided a copy of same to the Contract Party and the Stalking Horse Bidder. The Cure Notice informed each recipient that its respective Contract or Lease may be designated by the Contract Party (as defined below) as either assumed or rejected and the timing and procedures relating to such designation, and, to the extent practicable (i) the title of the Contract or Lease, (ii) the name of the counterparty to the Contract or Lease, (iii) the Debtors' good faith estimates of the cure amounts required in connection with such Contract or Lease (the "Cure Amount"), (iv) the identity of the Contract Party and (v) the deadline by which any such Contract or Lease counterparty may file an objection to the proposed assumption and assignment and/or cure amount, and the procedures relating thereto; provided, however, that service of a Cure Notice does not constitute an admission that such Contract or Lease is an executory contract or unexpired lease. If the Debtors identify additional Contracts or Leases that might be assumed by the Debtors and assigned to

the Contract Party, the Debtors will promptly send a supplemental Cure Notice to the applicable counterparties to such Contract or Lease.

- b. **Adequate Assurance.** The Debtors served by first class mail (or by electronic mail, if available) the evidence of adequate assurance of future performance under the Contracts and Leases provided in connection with the Stalking Horse Bidder, including the legal name of the proposed assignee, the proposed use of any leased premises, general information about the proposed assignee's financial wherewithal and a contact person with the proposed assignee whom counterparties may contact if they wish to obtain further information regarding the proposed assignee. No later than three (3) days after the Bid Deadline, the Debtors shall serve on affected counterparties and their respective known counsel by electronic mail (if available) or first class mail the adequate assurance information provided by each Qualified Bidder.
- c. **Objections.** Objections, if any, to the proposed assumption and assignment of any Contract or Lease or to the cure amount proposed with respect thereto must: (i) be in writing, (ii) comply with the applicable provisions of the Bankruptcy Rules, Local Rules and any other orders of the Court, (iii) state with specificity the nature of the objection and, if the objection pertains to the proposed cure amount, the correct cure amount alleged by the objecting counterparty, together with any applicable and appropriate documentation in support thereof and (iv) be filed with the Court and served so as to be actually received by the Notice Parties before the Sale Objection Deadline.

Following the Debtors' selection of the Successful Bidder and the Back-Up Bidder, if any, at the conclusion of the Auction, the Debtors shall announce the Successful Bidder and the Back-Up Bidder, if any, and shall file with the Court a notice of the Successful Bidder and the Back-Up Bidder, if any. If and only if the Stalking Horse Bidder is not the Successful Bidder for the Acquired Assets, counterparties to the Debtors' Contracts and Leases shall have until September 25, 2025, at 11:59 p.m. (ET) (the "Supplemental Adequate Assurance Objection Deadline") to object to the assumption and assignment of a Contract or Lease (a "Supplemental Adequate Assurance Objection") solely on the issue of whether the Successful Bidder can provide adequate assurance of future performance as required by section 365 of the Bankruptcy Code. For the avoidance of doubt, if the Stalking Horse Bidder is the Successful Bidder, all adequate assurance objections must be filed by the Sale Objection Deadline.

- d. **Dispute Resolution.** Any objection to the proposed assumption and assignment or related cure of a Contract or Lease in connection with the proposed sale that remains unresolved as of the Sale Hearing shall be heard at the Sale Hearing or such later hearing if the objection is not resolved and the Debtors determine that an adjournment is appropriate. To the extent any

such objection is resolved or determined unfavorably to the applicable Debtor, the Debtors may, subject to the terms of an agreement with the Successful Bidder, file a notice rejecting the applicable Contract or Lease after such determination.

23. Any party who fails to timely file an objection to its scheduled cure amount listed on the Cure Notice or to the assumption and assignment of a Contract or Lease (i) shall be forever barred and estopped from objecting thereto, including (a) making any demands for additional cure amounts or monetary compensation on account of any alleged defaults for the period prior to the applicable objection deadline against the Debtors, their estates or the Contract Party or the Stalking Horse Bidder or other Successful Bidder selected at the Auction, if any, with respect to any such Contract or Lease, and (b) asserting that the Contract Party or the Successful Bidder has not provided adequate assurance of future performance as of the date of the Sale Order; (ii) shall be deemed to consent to (a) the sale of the Acquired Assets as approved by the Sale Order and (b) the assumption and assignment of the Contracts and Leases; and (iii) shall be forever barred and estopped from asserting or claiming against the Debtors or the assignee of the relevant Contract or Lease that any conditions to assumption and assignment of such Contract or Lease must be satisfied (pursuant to section 365(b)(1) of the Bankruptcy Code or otherwise).

24. The proposed assumption and assignment of the Assigned Contracts and Leases and the Auction shall be conducted solely in accordance with the provisions of this Order, the Bid Procedures and the Designation Procedures, as applicable.

25. Except as otherwise provided herein and in the Bid Procedures, Local Rule 6004-1(c)(ii) is waived.

26. Nothing in this Order shall be construed to modify the requirements and provisions of sections 365(b), 365(d)(3), 365(d)(4) or 365(f) of the Bankruptcy Code, or to

determine the effective date of rejection for any Contract or Lease which the Debtors may seek to reject.

**Other Relief Granted**

27. After giving due consideration to the facts, circumstances and conditions of the Stalking Horse Agreement, the Sale of the Acquired Assets is consistent with the Debtors' privacy policies concerning personally identifiable information and no showing was made that the sale of any personally identifiable information contemplated in the Stalking Horse Agreement, subject to the terms of this Order, would violate applicable non-bankruptcy law. Thus, the appointment of a consumer privacy ombudsman pursuant to section 363(b)(1) or section 332 of the Bankruptcy Code is not required with respect to the Sale of the Acquired Assets.

28. The Debtors are authorized to execute and deliver all instruments and documents and take such other action as may be necessary or appropriate to implement and effectuate the transactions contemplated by this Order.

29. The requirements set forth in Local Rule 9013-1 are satisfied by the contents of the Motion.

30. The findings and conclusions set forth herein constitute the Bankruptcy Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052. To the extent any findings of fact constitute conclusions of law, they are adopted as such. To the extent any conclusions of law constitute findings of fact, they are adopted as such.

31. To the extent any provisions of this Order shall be inconsistent with the Motion, the terms of this Order shall control.

32. This Order shall be immediately effective and enforceable upon entry hereof.

33. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation or interpretation of the Order.

**EXHIBIT 1 To Bid Procedures Order**  
**Bid Procedures**

## **BID PROCEDURES**

On August 28, 2025, Walker Edison Holdco, LLC, Walker Edison Intermediate, LLC, Walker Edison Furniture Company, LLC and EW Furniture, LLC, debtors and debtors in possession (collectively, the “Debtors”) in the chapter 11 cases (the “Cases”) pending in the United States Bankruptcy Court for the District of Delaware (“Court”) and jointly administered under Case No. 25-11602 (TMH), filed a motion [D.I. [\_\_\_]] (the “Sale Motion”), seeking, among other things, authorization for the Debtors to perform their obligations under that certain Asset Purchase Agreement (together with all exhibits thereto, the “Stalking Horse Agreement”)¹ entered into by and among the Debtors and Twin-Star International, Inc. (the “Stalking Horse Bidder”), substantially in the form attached to the Sale Motion as Exhibit B, subject to higher and better bids for the Acquired Assets as described below. As described in the Sale Motion, the Stalking Horse Agreement contemplates, pursuant to the terms and subject to the conditions contained therein, the sale of the Acquired Assets in exchange for cash consideration equal to the sum of: (A) Twenty Million Dollars (\$20,000,000.00), subject to Section 2.6 of the Stalking Horse Agreement, *plus* (B) the assumption of the Assumed Liabilities by the Stalking Horse Bidder.

The Stalking Horse Agreement provides for payment of bid protections in the form of a break-up fee in the amount of \$700,000 (the “Break-Up Fee”) and a reimbursement of the Stalking Horse Bidder’s actual, reasonable, documented out-of-pocket expenses up to an amount not to exceed \$500,000 (the “Expense Reimbursement,” together with the Break-Up Fee, the “Bid Protections”).

On [●], 2025, the Court entered the *Order (A) Authorizing and Approving Bid Procedures, (B) Authorizing and Approving the Debtors’ Entry Into the Stalking Horse Agreement, (C) Approving Notice Procedures, (D) Scheduling a Sale Hearing and (E) Approving Procedures for Assumption and Assignment and Determining Cure Amounts* [D.I. [\_\_\_]] (the “Bid Procedures Order”), which, among other things, (i) authorized the Debtors to perform their pre-closing obligations under the Stalking Horse Agreement and (ii) approved the bidding procedures set forth herein (the “Bid Procedures”) governing the submission of competing proposals to purchase the Acquired Assets pursuant to section 363 of the Bankruptcy Code. The sale of the Acquired Assets will be implemented pursuant to the terms and conditions of the Bid Procedures Order and the Stalking Horse Agreement, as the same may be amended pursuant to the terms thereof, subject to the Debtors’ selection in their reasonable discretion, after consultation with Blue Owl Capital Corporation, as the DIP Agent (as defined in the interim and final orders authorizing the Debtors to obtain postpetition financing and use of cash collateral) and as administrative agent and collateral agent for the Debtors’ prepetition term lenders (in such capacity, “Prepetition Collateral Agent,” and the DIP Agent and Prepetition Collateral Agent hereinafter referred to as the “Consultation Parties”), of a higher and otherwise better bid as the Successful Bid (as defined below) in accordance with these Bid Procedures.

### **Notice Parties**

Information required to be provided under these Bid Procedures must be provided to the following parties (collectively, the “Notice Parties”): (a) the Debtors, Walker Edison Holdco LLC, 1553 W 9000 S, West Jordan, UT 84088, Attn: Nate Brown

<sup>1</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Stalking Horse Agreement.

(nate.brown@walkeredison.com); (b) counsel to the Debtors: Morris, Nichols, Arsht & Tunnell LLP (“Morris Nichols”), 1201 N. Market Street, 16th Floor, Wilmington, Delaware 19801, Attn: Robert J. Dehney, Sr., Esq. (rdehney@morrisnichols.com); Donna L. Culver, Esq. (dculver@morrisnichols.com); Daniel B. Butz, Esq. (dbutz@morrisnichols.com); Scott D. Jones, Esq. (sjones@morrisnichols.com); and Echo Yi Qian, Esq. (eqian@morrisnichols.com); (c) Lincoln International LLC, 500 West Madison Street, Suite 3900, Chicago, IL 60661, Attn: Brent Williams (bwilliams@lincolnternational.com); Matthew Merkel (mmerkel@lincolnternational.com) and Miguel Bandeira (mbandeira@lincolnternational.com); (d) the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”): 844 King Street, Room 2207, Wilmington, Delaware 19801, Attn: Malcolm M. Bates, Esq. (Malcolm.M.Bates@usdoj.gov); and (e) counsel to the Proposed DIP Lender, Whiteford, Taylor & Preston LLP, 3190 Fairview Park Drive, Suite 800, Falls Church, VA 24042 Attn: David Gaffey, Esq. (DGaffey@whitefordlaw.com) and Brandy M. Rapp, Esq. (BRapp@whitefordlaw.com); (f) (i) co-counsel to the Stalking Horse Bidder, Sidley Austin LLP, 555 California Street, Suite 2000, San Francisco, CA 94104, Attn: Vijay Sekhon (vsekhon@sidley.com); Stephen E. Hessler (shessler@sidley.com); and Patrick Venter (pventer@sidley.com) and (ii) co-counsel to the Stalking Horse Bidder, Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 N King St, Wilmington, DE 19801, Attn: Michael Nestor (mnestor@ycst.com) and Robert F. Poppiti, Jr. (RPopppiti@ycst.com); and (h) counsel to the Committee.

### **Key Dates**

| <b>Event</b>                                                                                                                                                                                 | <b>Deadline</b>                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|
| Deadline for Debtors to File Notice of Proposed Cure Amounts and Adequate Assurance                                                                                                          | One week after the Petition Date                    |
| Sale Order to be Filed                                                                                                                                                                       | One week after the Petition Date                    |
| Bid Procedures Hearing                                                                                                                                                                       | September 15, 2025                                  |
| Sale Objection Deadline                                                                                                                                                                      | September 22, 2025, at 4:00 p.m. (ET)               |
| Bid Deadline                                                                                                                                                                                 | September 22, 2025, at 4:00 p.m. (ET)               |
| Deadline to Designate Qualified Bids                                                                                                                                                         | September 23, 2025                                  |
| Auction                                                                                                                                                                                      | September 24, 2025, at 10:00 a.m. (ET)              |
| Deadline to Serve Notice of Winning Bidder and Supplemental Cure Notice                                                                                                                      | One (1) business day after the close of the auction |
| Deadline to File Supplemental Sale Objection Solely Related to Conduct at the Auction and Objection to Assumption or Cure Amount (If Winning Bidder is Different Than Stalking Horse Bidder) | September 25, 2025, at 11:59 p.m. (ET)              |
| Sale Hearing                                                                                                                                                                                 | September 26, 2025                                  |

### **Participation Requirements**

To participate in the formal bidding process or otherwise be considered for any purpose hereunder, a person (other than the Stalking Horse Bidder) interested in submitting a bid (an “Interested Party”) must deliver to the Debtors, Morris Nichols, and Lincoln an executed confidentiality agreement (each, a “Confidentiality Agreement”). Such person or entity that has delivered an executed Confidentiality Agreement shall be considered a potential bidder (a “Potential Bidder”).

### **Due Diligence**

The Debtors will provide to each Potential Bidder reasonable due diligence information, as requested, as soon as reasonably practicable after such request, provided that if any Potential Bidder is (or is affiliated with) a competitor of the Debtors, the Debtors will not be required to disclose to such Potential Bidder any trade secrets, proprietary information, or other commercially sensitive information unless, under the Debtors’ business judgment, in consultation with the Consultation Parties, the Confidentiality Agreement executed by such Potential Bidder (i) sufficiently protects the Debtors’ estates, and (ii) contains appropriate provisions to ensure that such trade secrets or proprietary information will not be used by such Potential Bidder or its Affiliates for an improper purpose or to gain an unfair competitive advantage. Each Potential Bidder will comply with all reasonable requests for additional information and due diligence access by the Debtors or their advisors regarding such Potential Bidder and its contemplated transaction. If the Debtors determine at any time in their reasonable discretion, in consultation with the Consultation Parties, that a Potential Bidder is not reasonably likely to be a Qualified Bidder (as defined below), then the Debtors’ obligation to provide due diligence information to such Potential Bidder will terminate and all information provided by the Debtors prior to such time shall be returned to the Debtors or destroyed in accordance with the terms of the applicable Confidentiality Agreement.

### **Bid Requirements**

To be eligible to participate in the Auction, each Potential Bidder must submit a proposal (a “Bid”) to purchase some or all of the Debtors’ assets by September 22, 2025 at 4:00 p.m. (ET) (the “Bid Deadline”) which must:

- 1) state that the applicable Potential Bidder offers to purchase the Acquired Assets upon terms and conditions no less favorable to the Debtors’ estates as the Debtors may reasonably determine, in consultation with the Consultation Parties, than the transactions contemplated in the Stalking Horse Agreement;
- 2) be accompanied by a deposit (each, a “Good Faith Deposit”) in the form of a wire transfer or certified check or such other form acceptable to the Debtors in their sole discretion, payable to the order of Epiq Corporate Restructuring, LLC (the “Escrow Agent”), in an amount equal to 10% of the cash portion of the Purchase Price being bid;
- 3) specify the amount of cash or other consideration offered by the Potential Bidder (the “Purchase Price”), which Purchase Price must, except for a Partial Bid (defined below): (a) exceed the aggregate sum of (i) the aggregate consideration set forth in the Stalking Horse

Agreement; (ii) the Assumed Liabilities set forth in the Stalking Horse Agreement; (iii) the Bid Protections, and (iv) the minimum bid increment of \$250,000; and (b) include an amount of cash consideration at closing that exceeds the aggregate sum of (i), (iii) and (iv) (such aggregate sum specified in (a) and (b), the “Minimum Purchase Price”); *provided, however*, that the Debtors, in their business judgment and in consultation with the Proposed DIP Lenders, shall have the right to modify any of the terms contained in the calculation of the Minimum Purchase Price. If any modifications to the Minimum Purchase Price are made, the Debtors will provide notice to any interested parties within two [2] days of the Bid Deadline;

- 4) agree to a purchase price adjustment mechanism in substantially the same terms as clause 2.6(a)(iii) of the Stalking Horse Agreement;
- 5) include an executed asset purchase agreement, together with all exhibits and schedules thereto, pursuant to which the Potential Bidder proposes to effectuate a proposed transaction at the Purchase Price (the “Transaction Documents”), which Transaction Documents must include a copy of the proposed asset purchase agreement marked against the Stalking Horse Agreement to show all changes requested by the Potential Bidder including, but not limited to, treatment of any assumed liabilities;
- 6) be irrevocable by the Potential Bidder until the selection of the Successful Bid in accordance with the terms of these Bid Procedures; *provided* that if such Potential Bidder is selected as the Successful Bidder or Back-Up Bidder and is required to be a Back-Up Bidder hereunder, its Bid must remain irrevocable until the Debtors’ consummation of a sale with the Successful Bidder;
- 7) include a list which specifies in detail which of the Debtors’ unexpired leases and executory contracts are to be assumed by the Debtors and assigned to the Potential Bidder in connection with the consummation of the proposed transaction and an agreement that the Potential Bidder will pay any related cure costs;
- 8) contain a description of how the Potential Bidder intends to treat the Debtors’ current employees;
- 9) provide a commitment to close by September 28, 2025;
- 10) not be conditioned on any contingency, including unperformed due diligence, obtaining financing, obtaining third-party consents, or any internal approval;
- 11) include an acknowledgement that the sale or transfer of the Acquired Assets will be on an “as is, where is” basis and without representations or warranties of any kind by Debtors or their agents other than as set forth in the Stalking Horse Agreement;

- 12) include a description of all governmental, licensing, regulatory or other filings, approvals or consents, including all filings required under the HSR Act, that are required to be made or obtained to close the proposed transaction, together with evidence of the ability to make any applicable filings or submissions within three (3) business days of being declared the Successful Bidder;
- 13) contain written evidence of a commitment for financing or other evidence of the ability to consummate a proposed transaction at the Purchase Price (including sufficient financial or other information to establish adequate assurance of future performance pursuant to section 365(f)(2) of the Bankruptcy Code and, if applicable, section 365(b)(3) of the Bankruptcy Code to the non-Debtor counterparties to any executory contracts and unexpired leases to be assumed by the Debtors and assigned to the Potential Bidder in connection with the proposed transaction), satisfactory to the Debtors in their reasonable discretion with appropriate contact information for such financing sources;
- 14) contain written evidence satisfactory to the Debtors, in consultation with the Consultation Parties, of authorization and approval from the Potential Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and consummation of such Bid and the transaction(s) contemplated therein and any Overbid(s) (as defined below), and related Transaction Documents;
- 15) not request or entitle the Potential Bidder to any break-up fee, termination fee, expense reimbursement or similar type of payment (except to the extent consented to in writing by Debtors in consultation with the Consultation Parties);
- 16) fully disclose the identity of each entity that will be bidding for the Acquired Assets or otherwise sponsoring, financing (including through the issuance of debt in connection with such Bid), participating in or benefiting from (including through license or similar arrangement with respect to the assets to be acquired in connection with such Bid) such Bid (a "Participating Party"), and the complete terms of any such sponsorship, participation, financing or benefit;
- 17) constitute a good faith, bona fide offer to effectuate the proposed transaction;
- 18) include a written acknowledgement by such Potential Bidder that it agrees to all of the terms for sale set forth in these Bid Procedures;
- 19) include an agreement to provide any other information reasonably requested by the Debtors; and
- 20) be received by the Bid Deadline.

### **Designation as Qualified Bidder**

A qualified bidder (“Qualified Bidder”) is a Potential Bidder that, in the Debtors’ reasonable determination, in consultation with the Consultation Parties, (i) has timely submitted a Bid that satisfies each of the requirements listed above in the section entitled “Bid Requirements” and (ii) is able to consummate the proposed transaction within the required timeframe if selected as the Successful Bidder (such Bid submitted by a Qualified Bidder, a “Qualified Bid”); *provided* that the Debtors reserve the right to work with any Potential Bidder to cure any deficiencies in a Bid that is not initially deemed a Qualified Bid. Within two (2) business days after a Potential Bidder delivers all of the documents described above, the Debtors will determine in their reasonable discretion, in consultation with the Consultation Parties, whether such Potential Bidder is a Qualified Bidder and notify the Potential Bidder of such determination. For the avoidance of doubt, (i) the Stalking Horse Bidder is a Qualified Bidder, (ii) the Stalking Horse Agreement is a Qualified Bid, and (iii) the Stalking Horse Bidder is authorized to submit any Overbids (as defined below) during the Auction, in each instance without further qualification required of the Stalking Horse Bidder.

### **“As Is, Where Is”**

Any sale or transfer of the Acquired Assets will be on an “as is, where is” basis and without representations or warranties of any kind by the Debtors and their agents, except and solely to the extent expressly set forth in a final purchase agreement. Each Qualified Bidder will be required to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Debtors’ assets that are the subject of the Auction prior to making its Bid and that it has relied solely upon its own independent review and investigation in making its Bid.

### **Auction**

**Auction.** If the Debtors receive two or more Qualified Bids (including the Stalking Horse Bid), the Debtors may hold an Auction; *provided* that the Debtors in their discretion, in consultation with the Consultation Parties, may elect to forego an Auction and select a Qualified Bid as the Successful Bid.

If no Qualified Bids (other than the Stalking Horse Bid) are received by the Bid Deadline, then the Auction shall be cancelled, the Stalking Horse Bidder will be deemed the Successful Bidder, the Stalking Horse Agreement will be the Successful Bid, and, at the Sale Hearing, the Debtors will seek final Court approval of the sale of the Acquired Assets to the Stalking Horse Bidder in accordance with the terms of the Stalking Horse Agreement.

**Auction Date and Location.** If an Auction is held, it will commence on or before **September 24, 2025 at 10:00 a.m. (Prevailing Eastern Time)** at the offices of Morris, Nichols, Arsht & Tunnell LLP, 1201 N Market Street, 16th Floor, Wilmington, Delaware 19801, telephonically or by video via Zoom, or such later time or other place as determined by the Debtors in consultation with the Consultation Parties.

**Partial Bids.** If any of the Qualified Bids submitted by the Bid Deadline are structured as a purchase of less than all or substantially all of the Debtors’ assets (each such bid, a “Partial Bid”), the Debtors, in consultation with the Consultation Parties, may conduct separate auctions at the Auction for each lot of assets (each, an “Auction Lot”) subject to a Partial Bid. Any Partial Bid must meet all of the requirements of a Qualified Bid, unless otherwise modified herein, including without limitation, the Good Faith Deposit. The Debtors, in consultation with the

Consultation Parties, may also combine multiple Partial Bids into an Auction Lot to compete against Qualified Bids for all of the Debtors' assets.

**Baseline Bid.** No later than one (1) day prior to the commencement of the Auction, the Debtors will provide all Notice Parties and Consultation Parties with complete copies of all Transaction Documents and all other bid materials submitted by each other Qualified Bidder, subject to exclusion of any confidential financial information as determined by the Debtors in their reasonable discretion or which has been so designated by the applicable Qualified Bidder. At the commencement of the Auction, the Debtors will notify all Qualified Bidders and Notice Parties of the highest acceptable Qualified Bid, as determined by the Debtors in their reasonable discretion in consultation with the Consultation Parties (the "Baseline Bid"). The Debtors' determination, in consultation with the Consultation Parties, of which Qualified Bid constitutes the Baseline Bid shall take into account factors such as the projected percentage recovery to general unsecured creditors pursuant to such Qualified Bid and the certainty of such recovery, whether all administrative, priority and secured claims will be paid in full under such Qualified Bid and any other factors the Debtors, in consultation with the Consultation Parties, reasonably deem relevant to the value of the Qualified Bid to the estates. No later than the day prior to the commencement of the Auction, each Qualified Bidder that has timely submitted a Qualified Bid must inform the Debtors whether it intends to attend the Auction; *provided* that in the event a Qualified Bidder elects not to attend the Auction, such Qualified Bidder's Qualified Bid will nevertheless remain fully enforceable against such Qualified Bidder.

**Participation Requirements.** Only a Qualified Bidder that has submitted a Qualified Bid will be eligible to participate at the Auction. The authorized representatives of each of the Qualified Bidders (including the Stalking Horse Bidder), the Debtors, the Consultation Parties, and the Committee will be permitted to attend the Auction. In addition, pursuant to Local Rule 6004-1, all creditors of the Debtors who have not submitted Bids may attend the Auction as observers, *provided* that they send an email to Debtors' counsel indicating that they intend to attend the Auction no less than one (1) Business Day prior to the Auction, *provided further* that the Debtors' right to object on an emergency basis to any such creditor's proposed attendance at the Auction is reserved.

**Auction Procedures.** The Debtors and their professionals will direct and preside over the Auction. At the start of the Auction, the Debtors will describe the terms of the Baseline Bid. All Bids made thereafter must be Overbids (as defined below) and will be made and received on an open or closed basis, as determined by the Debtors, in consultation with the Consultation Parties, and all material terms of each Bid will be fully disclosed to all other Qualified Bidders. The Debtors will maintain a transcript of all Bids made and announced at the Auction, including the Baseline Bid, all Overbids, the Successful Bid and the Back-Up Bid. Each Qualified Bidder will be required to confirm on the record of the Auction that it has not engaged in any collusion with respect to the bidding or the sale of the Acquired Assets. The Debtors, in their reasonable discretion and in consultation with the Consultation Parties, reserve the right to conduct the Auction in a manner designed to maximize value based upon the nature and extent of the Qualified Bids received.

During the Auction, bidding will begin initially with the Baseline Bid and subsequently continue in minimum increments of at least \$250,000 (each, an "Overbid"). The Debtors will announce at the Auction the material terms of each Overbid, value each Overbid in accordance with these Bid Procedures and provide each Qualified Bidder with an opportunity to

make a subsequent Overbid (except in the event of a round of closed, final bidding). Additional consideration in excess of the amount set forth in the Baseline Bid may include cash and/or other consideration acceptable to the Debtors, in consultation with the Consultation Parties, in accordance with these Bid Procedures. When bidding at the Auction, the Stalking Horse Bidder will receive a cash credit in the amount of the Bid Protections and will be allowed to bid the Bid Protections.

To the extent that an Overbid has been accepted entirely or in part because of the addition, deletion, or modification of a provision or provisions in the applicable Transaction Documents or the Stalking Horse Agreement, the Debtors will provide notice to each participant of the value ascribed by the Debtors, in consultation with the Consultation Parties, to any such added, deleted, or modified provision or provisions, with such value being determined by the Debtors in their reasonable discretion and in consultation with the Consultation Parties.

Any Overbid made from time to time by a Qualified Bidder must remain open and binding on the Qualified Bidder until and unless (i) the Debtors accept a higher and otherwise better bid submitted by another Qualified Bidder during the Auction as an Overbid and (ii) such Overbid is not selected as the Back-Up Bid (as defined below). To the extent not previously provided (which will be determined by the Debtors), a Qualified Bidder submitting an Overbid must submit at the Debtors' request, as part of its Overbid, written evidence (in the form of financial disclosure or credit-quality support information or enhancement reasonably acceptable to the Debtors in consultation with the Consultation Parties) demonstrating such Qualified Bidder's ability to close the transaction at the purchase price contemplated by such Overbid.

### **Selection of Successful Bid**

At the conclusion of the Auction, the Debtors, in the exercise of their reasonable business judgment, in consultation with the Consultation Parties, will select (i) the highest acceptable Bid (the "Successful Bid") or collection of Bids (the "Successful Bids") submitted by a Qualified Bidder(s) during the Auction that the Debtors believe is most beneficial to the Debtors and their estates, and (ii) at the Debtors' discretion, the next highest acceptable Bid (the "Back-Up Bid") or collection of Bids (the "Back-Up Bids") after the Successful Bid(s). In selecting the Successful Bid(s) and the Back-Up Bid(s), if any, the Debtors, in consultation with the Consultation Parties, shall take into account the projected percentage recovery to general unsecured creditors and the certainty of such recovery and whether all administrative, priority and secured claims will be paid in full and may also consider, among other things: (i) the number, type and nature of any changes to the Stalking Horse Agreement which may delay closing of the contemplated transaction and the cost to the Debtors of such modifications or delay; (ii) the liabilities being assumed; (iii) the likelihood of the Qualified Bidder's ability to close its proposed transaction and the timing thereof; (iv) the expected net benefit of the transaction to the Debtors' estates and (v) any other factors the Debtors may reasonably deem relevant. The Qualified Bidder that submits a Successful Bid will be deemed a "Successful Bidder," and the Qualified Bidder that submits a Back-Up Bid, if any, will be deemed a "Back-Up Bidder." The Successful Bidder(s) and Back-Up Bidder(s), following the completion of the Auction, must increase their Good Faith Deposits so that they equal 10% of such Successful Bid or Back-Up Bid, as applicable.

The Auction will close when the Debtors announce that a Successful Bid(s) and, to the extent the Debtors, in consultation with the Consultation Parties, determine a Back-Up Bid(s), have been selected. Notwithstanding anything herein to the contrary, the Debtors are authorized,

but not required, to select a Back-Up Bidder and a Back-Up Bid. For the avoidance of doubt, the Debtors will not consider or support any Bid for any of the Acquired Assets (whether or not such bid is made by a Qualified Bidder) received after the close of the Auction.

The Back-Up Bid(s), if any, will remain open and binding on the Back-Up Bidder(s) until consummation of the Successful Bid(s) with the Successful Bidder(s). If a Successful Bidder fails to consummate a Successful Bid within the time set forth therein, the Debtors will be authorized, but not required, to select, in consultation with the Consultation Parties, a Back-Up Bidder, if any, as the new Successful Bidder, and shall proceed to consummate the Successful Bid of the new Successful Bidder.

### **Implementation of the Sale**

The hearing to authorize the sale of the Acquired Assets to the Successful Bidder(s) pursuant to the Successful Bid(s) (the “Sale Hearing”) will be held before the Court on September 26, 2025, at [\_\_:\_\_\_.m.] (prevailing Eastern Time). The Sale Hearing may be adjourned or rescheduled by the Debtors to a time and date consistent with the Court’s calendar, as set forth in notice on the docket of these chapter 11 cases, a notice of agenda or stated orally on the record at a hearing before the Court. Upon the Court’s approval of the Successful Bid(s), the Successful Bid(s) will be deemed accepted by the Debtors, and the Debtors will be bound to the terms of that Successful Bid(s) with no further opportunity for an auction or other process.

If a Successful Bidder or a Back-Up Bidder (if a Successful Bidder fails to consummate the proposed transaction) fails to enter into their respective asset purchase agreement as promptly as practicable or consummate the proposed transaction consistent with the Successful Bid or Back-Up Bid (if applicable), because of a breach or failure to perform on the part of the Successful Bidder or Back-Up Bidder (if applicable), all parties in interest reserve the right to seek all available damages from the defaulting Successful Bidder or Back-Up Bidder (if applicable), including specific performance and retention of the Good Faith Deposit.

### **Consent to Jurisdiction as Condition to Bidding**

All Qualified Bidders irrevocably and unconditionally consent to submit to the exclusive jurisdiction of the Bankruptcy Court for any litigation arising out of or relating to the Auction (and agrees not to commence any litigation relating thereto except in the Bankruptcy Court) and waives any objection to the laying of venue of any such litigation in the Bankruptcy Court. To the extent the Bankruptcy Court declines, or is otherwise unable to, exercise jurisdiction, then the Qualified Bidders agree that the state or federal courts in the County of New Castle, State of Delaware, shall have jurisdiction.

### **Return of Good Faith Deposit**

All Good Faith Deposits will be held by the Debtors in a non-interest-bearing escrow or trust account. Good Faith Deposits of Qualified Bidders, other than a Successful Bidder and a Back-Up Bidder, if any, will be returned to the unsuccessful bidders within five (5) days after selection of a Successful Bidder and Back-Up Bidder, if any, in accordance with these Bid Procedures. A Successful Bidder’s Good Faith Deposit will be applied to the Purchase Price of their Successful Bid at closing, and the Debtors will be entitled to retain such Good Faith Deposit as part of their damages if a Successful Bidder fails to meet their obligations to close the transaction contemplated by their Successful Bid. The Good Faith Deposit of a Back-Up Bidder, if any, will

be returned to the Back-Up Bidder, if any, within five (5) days after the consummation of the sale with a relevant Successful Bidder.

**Reservation of Rights**

The Debtors reserve the right, in their reasonable discretion and subject to the exercise of their business judgment, in consultation with the Consultation Parties, to alter or modify any of the rules or procedures set forth herein, to waive terms and conditions set forth herein with respect to all potential bidders, extend the deadlines set forth herein, alter the assumptions set forth herein, and/or to terminate discussions with any and all prospective acquirers and investors at any time and without specifying the reasons therefor, in each case to the extent not materially inconsistent with the Bid Procedures Order or the Stalking Horse Agreement; *provided*, however, that the Debtors shall not waive the requirement to make a Good Faith Deposit.

**EXHIBIT 2 To Bid Procedures Order**

**Cure Notice**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re

WALKER EDISON HOLDCO LLC, *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 25-11602 (TMH)

(Jointly Administered)

**NOTICE OF (I) POSSIBLE TREATMENT OF CONTRACTS AND LEASES, (II)  
FIXING OF CURE AMOUNTS, AND (III) DEADLINE TO OBJECT THERETO**

**PLEASE TAKE NOTICE** that, on August 28, 2025, the above-captioned debtors and debtors in possession (the “Debtors”) filed the *Debtors’ Motion for (I) an Order Pursuant to Sections 105, 363, 364, 365 and 541 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 6006 and 9007 and Del. Bankr. L.R. 2002-1 and 6004-1 (A) Approving Bid Procedures and Bid Protections for the Sale of Substantially All of the Debtors’ Assets; (B) Approving the Debtors’ Entry Into Stalking Horse Agreement and Related Bid Protections; (C) Approving Procedures for the Assumption and Assignment or Rejection of Designated Executory Contracts and Unexpired Leases; (D) Scheduling an Auction and Sale Hearing; (E) Approving Forms and Manner of Notice of Respective Dates, Times, and Places In Connection Therewith; and (F) Granting Related Relief; (II) an Order (A) Approving the Sale of the Debtors’ Assets Free and Clear of Claims, Liens, and Encumbrances; and (B) Approving the Assumption and Assignment or Rejection of Designated Executory Contracts and Unexpired Leases; and (III) Certain Related Relief [D.I. \_\_\_\_] (the “Sale Motion”)*<sup>2</sup>, with the United States Bankruptcy Court for the District of Delaware (the “Court”), seeking, among other things, entry of an order (the “Sale Order”) authorizing and approving: (a) the sale (the “Sale”) of certain assets (the “Acquired Assets”) free and clear of all liens, claims, encumbrances, and other interests, with all such liens, claims, encumbrances, and other interests attaching with the same validity and priority to the Sale proceeds, to Twin Star International, Inc. (the “Stalking Horse Bidder”), except as set forth in the Stalking Horse Agreement and subject to higher or otherwise better offers; (b) the Debtors’ bidding procedures (the “Bidding Procedures”) in connection with the proposed auction (the “Auction”) for the Sale of the Acquired Assets, and (c) certain procedures for the assumption and assignment of executory contracts (the “Contracts”) and unexpired leases (the “Leases”) in connection with the Sale (the “Designation Procedures”).

**PLEASE TAKE FURTHER NOTICE** that a hearing on the Motion is currently scheduled for **September [●], 2025, at [●] [●].m. (ET)** before the Honorable Thomas M. Horan, Bankruptcy Judge, United States Bankruptcy Court for the District of Delaware, 824 N. Market

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<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor’s federal EIN, are as follows: Walker Edison Holdco LLC (8817); Walker Edison Intermediate, LLC (3363); Walker Edison Furniture Company LLC (6576); and EW Furniture, LLC (6288). The Debtors’ mailing address is 1553 W 9000 S, West Jordan, UT 84088.

<sup>2</sup> Capitalized terms not defined are defined in the Bid Procedures or Sale Motion.

Street, Wilmington, Delaware 19801. At the hearing, the Debtors will seek entry of an order approving the Bidding Procedures and the Designation Procedures (the “Bidding Procedures Order”).

**PLEASE TAKE FURTHER NOTICE** that the Debtors have requested that a hearing be held before the Honorable Thomas M. Horan, United States Bankruptcy Judge, on **September 26, 2025, at [\_\_:\_\_\_.m.] (prevailing Eastern Time)**, in the United States Bankruptcy Court for the District of Delaware, 824 Market Street, Wilmington, Delaware 19801 to consider approval of the Sale (the “Sale Hearing”). The Sale Hearing may be rescheduled or continued from time to time without further notice other than the announcement of the adjourned date(s) at the Sale Hearing or any continued hearing or on the applicable hearing agenda or other notice filed on the docket of these chapter 11 cases.

**PLEASE TAKE FURTHER NOTICE** that you are receiving this notice (the “Cure Notice”) because you or one of your affiliates may be a counterparty to one or more of the Contracts and Leases with one or more of the Debtors as set forth on Exhibit A attached hereto (the “Contract and Lease Schedule”).<sup>3</sup> If the Court enters the Sale Order, the Debtors may assume and assign to the Stalking Horse Bidder (or to another Successful Bidder selected at the Auction, if any) or reject the Contract and/or Lease listed on the Contract and Lease Schedule, to which you are a counterparty, either as of the Closing Date or a later date pursuant to the Stalking Horse Agreement or the Successful Bidder Purchase Agreement, as applicable.

**PLEASE TAKE FURTHER NOTICE** that the Debtors have determined that the cure amounts necessary to cure all defaults, if any, and to pay all actual or pecuniary losses that have resulted from such defaults under the Contracts and Leases (the “Cure Amounts”) are in the total amount as set forth on the Contract and Lease Schedule attached hereto as Exhibit A.

**PLEASE TAKE FURTHER NOTICE** that if you disagree with the proposed Cure Amounts, object to the ability of the Debtors to provide adequate assurance of future performance with respect to the Contract or Lease, or otherwise object to the potential assumption and assignment of the Contract or Lease to the Stalking Horse Bidder or other Successful Bidder, as applicable, you must file with the Court and serve an objection (an “Contract Objection”) on the following parties so as to be actually received before **4:00 p.m. (prevailing Eastern Time) on September 22, 2025** (the “Sale Objection Deadline”): (a) the Debtors Walker Edison Holdco LLC, 1553 W 9000 S, West Jordan, UT 84088, Attn: Nate Brown (nate.brown@walkerredison.com); (b) proposed counsel to the Debtors, Morris, Nichols, Arsht & Tunnell LLP, 1201 N. Market Street, 16th Floor, Wilmington, Delaware 19801, Attn: Robert J. Dehney, Sr., Esq. (rdehney@morrisnichols.com); Donna L. Culver, Esq. (dculver@morrisnichols.com); Daniel B. Butz, Esq. (dbutz@morrisnichols.com); Scott D. Jones, Esq. (sjones@morrisnichols.com); and Echo Yi Qian, Esq. (eqian@morrisnichols.com); (c) the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”): 844 King Street, Room 2207, Wilmington, Delaware 19801, Attn: Malcolm M. Bates, Esq. (Malcolm.M.Bates@usdoj.gov); (d) counsel to any official

<sup>3</sup> This Cure Notice is being sent to counterparties to contracts and leases that may be executory contracts and unexpired leases. This Cure Notice is not an admission by the Debtors that such contract or lease is executory or unexpired.

committee of unsecured creditors appointed in the cases (the “Committee”); (e) (i) co-counsel to the Stalking Horse Bidder, Sidley Austin LLP, 555 California Street, Suite 2000, San Francisco, CA 94104, Attn: Vijay Sekhon (vsekhon@sidley.com); Stephen E. Hessler (shessler@sidley.com); and Patrick Venter (pventer@sidley.com) and (ii) co-counsel to the Stalking Horse Bidder, Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 N King St, Wilmington, DE 19801, Attn: Michael Nestor (mnestor@ycst.com) and Robert F. Poppiti, Jr. (RPoppiti@ycst.com); and (f) counsel to the proposed DIP Lenders, Whiteford, Taylor & Preston LLP, 3190 Fairview Park Drive, Suite 800, Falls Church VA 24042 (Attn: David Gaffey, Esq. (DGaffey@whitefordlaw.com) and Brandy M. Rapp, Esq. (BRapp@whitefordlaw.com). All Objections must: (i) be in writing; (ii) comply with the applicable provisions of the Bankruptcy Rules, Local Rules and any orders of the Court; and (iii) state with specificity the nature of the objection and, if the objection pertains to the Cure Amount, the correct cure amount alleged by the objecting counterparty, together with any applicable and appropriate documentation in support thereof.

**PLEASE TAKE FURTHER NOTICE** that if and only if the Stalking Horse Bidder is **not** the Successful Bidder for the Acquired Assets, counterparties to the Contracts and Leases shall have until **September 25, 2025 at 11:59 p.m. (prevailing Eastern Time)** (the “Supplemental Adequate Assurance Objection Deadline”) to object to the assumption and assignment of the Contracts and Leases (a “Supplemental Adequate Assurance Objection”) **solely** on the issue of whether the Successful Bidder can provide adequate assurance of further performance as required by section 365 of the Bankruptcy Court. For the avoidance of doubt, if the Stalking Horse Bidder is the Successful Bidder, all adequate assurance Objections must be filed by the Sale Objection Deadline.

**PLEASE TAKE FURTHER NOTICE** that any party that fails to timely file an Contract Objection shall be deemed to have consented to the assumption and assignment of the Contract or Lease to the Stalking Horse Bidder or Successful Bidder, as applicable, and the Cure Amounts proposed by the Debtors in this Cure Notice, and shall be forever enjoined and barred from seeking any additional amount(s) on account of the Debtors’ cure obligations under section 365 of the Bankruptcy Code or otherwise from the Debtors or their estates (except, to the extent applicable, with respect to matters arising **after** the Closing and that are not otherwise paid in the ordinary course).

**PLEASE TAKE FURTHER NOTICE** that any objection to the proposed assumption and assignment or related cure of a Contract or Lease in connection with the Sale that remains unresolved as of the Sale Hearing shall be heard at the Sale Hearing (or at a later date as fixed by the Court) provided that any such objection may be adjourned, in full or in part, by the Debtors to a later date by listing such adjournment in a notice of agenda or other notice filed on the docket of the cases and served on the affected counterparty.

**PLEASE TAKE FURTHER NOTICE** that the Debtors hereby reserve all rights to amend, revise or supplement any documents relating to the Sale and/or to be executed, delivered, assumed and/or performed in connection with the Sale or the Stalking Horse Agreement or Successful Bidder Purchase Agreement, as applicable, including the Contract and Lease Schedule.

**PLEASE TAKE FURTHER NOTICE** that notwithstanding anything herein, this Cure Notice shall not be deemed to be an assumption, rejection, or termination of any of the Contracts and Leases. Moreover, the Debtors explicitly reserve their rights to reject or assume any of the Contracts and Leases pursuant to section 365(a) of the Bankruptcy Code and nothing herein (a) alters in any way the prepetition nature of the Contracts and Leases or the validity, priority, or amount of any claims of counterparties to the Contracts and Leases against the Debtors that may arise under such Contracts and Leases, (b) creates a postpetition contract or agreement, or (c) elevates to administrative expense priority any claims of counterparties to the Contracts and Leases against the Debtors that may arise under such Contracts and Leases.

**PLEASE TAKE FURTHER NOTICE** that the Debtors have requested that the Court establish the above dates and deadlines to govern the assumption of the Contracts. These dates and deadlines may be modified or extended by the Debtors or the Court without any further notice.

**PLEASE TAKE FURTHER NOTICE** that copies of the Sale Motion (and all exhibits thereto), the Bid Procedures Order, the Bid Procedures, and proposed Sale Order (and all exhibits thereto) are available for review free of charge by accessing <https://dm.epiq11.com/WalkerEdision>.

Dated: August [●], 2025  
Wilmington, Delaware

Respectfully submitted,

**MORRIS, NICHOLS, ARSHT & TUNNELL LLP**

/s/ Draft

Robert J. Dehney, Sr. (No. 3578)

Donna L. Culver (No. 2983)

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*Proposed Counsel to the Debtors and  
Debtors in Possession*

**EXHIBIT 3 To Bid Procedures Order**  
**Sale Notice**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re

WALKER EDISON HOLDCO LLC, *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 25-11602 (TMH)

(Jointly Administered)

**NOTICE OF SALE, BID PROCEDURES, AUCTION AND SALE HEARING**

**PLEASE TAKE NOTICE** that, on April 8, 2025, the above-captioned debtors and debtors in possession (the “Debtors”) filed the *Debtors’ Motion for (I) an Order Pursuant to Sections 105, 363, 364, 365 and 541 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 6006 and 9007 and Del. Bankr. L.R. 2002-1 and 6004-1 (A) Approving Bid Procedures for the Sale of Substantially All Assets of Debtors; (B) Approving the Debtors’ Entry Into the Stalking Horse Agreement and Related Bid Protections; (C) Approving Procedures for the Assumption and Assignment or Rejection of Designated Executory Contracts and Unexpired Leases; (D) Scheduling the Auction and Sale Hearing; (E) Approving Forms and Manner of Notice of Respective Dates, Times, and Places In Connection Therewith; and (F) Granting Related Relief; (II) an Order (A) Approving the Sale of the Debtors’ Assets Free and Clear of Claims, Liens, and Encumbrances; (B) Approving the Assumption and Assignment or Rejection of Designated Executory Contracts and Unexpired Leases; and (III) Certain Related Relief [D.I. \_\_\_\_] (the “Sale Motion”)*<sup>2</sup>, with the United States Bankruptcy Court for the District of Delaware (the “Court”), seeking, among other things, entry of an order (the “Sale Order”) authorizing and approving: (a) the sale (the “Sale”) of certain assets (the “Acquired Assets”), to Twin-Star International, Inc. (the “Stalking Horse Bidder”), except as set forth in the Stalking Horse Agreement and subject to higher or otherwise better offers; and (b) certain procedures for the assumption and assignment of executory contracts (the “Contracts”) and unexpired leases (the “Leases”) in connection with the Sale.

**PLEASE TAKE FURTHER NOTICE THAT THE DEBTORS ARE PROPOSING TO SELL THE ACQUIRED ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS (OTHER THAN PERMITTED POST-CLOSING ENCUMBRANCES). IN CONNECTION WITH THE SALE, THE STALKING HORSE BIDDER AND OTHER PURCHASERS WILL ALSO BE SEEKING A FINDING FROM THE COURT THAT THEY ARE NOT LIABLE UNDER THEORIES**

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<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor’s federal EIN, are as follows: Walker Edison Holdco LLC (8817); Walker Edison Intermediate, LLC (3363); Walker Edison Furniture Company LLC (6576); and EW Furniture, LLC (6288). The Debtors’ mailing address is 1553 W 9000 S, West Jordan, UT 84088.

<sup>2</sup> Capitalized terms not defined herein are defined in the Bid Procedures or Sale Motion.

**OF “SUCCESSOR LIABILITY” FOR ANY LIENS, CLAIMS, ENCUMBRANCES AND OTHER INTERESTS ARISING BEFORE THE CLOSING DATE.**

**PLEASE TAKE FURTHER NOTICE THAT ANY PARTY OR ENTITY WHO FAILS TO TIMELY MAKE AN OBJECTION TO THE SALE IN ACCORDANCE WITH THE BID PROCEDURES ORDER SHALL BE FOREVER BARRED FROM ASSERTING ANY OBJECTION TO THE SALE, INCLUDING WITH RESPECT TO THE TRANSFER OF THE DEBTORS’ ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS, AND THE ABSENCE OF SUCCESSOR LIABILITY.**

**PROPOSED DATES AND DEADLINES<sup>2</sup>**

The Debtors have requested that the Court establish the following dates and deadlines to govern the Debtors’ bidding procedures and sale process. At the hearing on [●], 2025, if no party objects, or if any such objection is overruled and a Court otherwise approves of the Bid Procedures in their current form, the following dates and deadlines will be confirmed:

1. **Bid Deadline.** The deadline to submit a Qualified Bid is **September 22, 2025, at 4:00 p.m. (prevailing Eastern Time).**

2. **Sale Objection Deadline.** The deadline to file an objection to (i) the Sale, including the sale of any Acquired Assets free and clear of liens, claims, interests, and encumbrances pursuant to section 363(f) of the Bankruptcy Code (a “Sale Objection”) and/or (ii) the potential assumption or assumption and assignment of the Assigned Contracts and Cure Amounts related thereto (a “Contract Objection”) (except as otherwise set forth in the Designation Procedures) is **September 22, 2025, at 4:00 p.m. (prevailing Eastern Time)** (the “Sale and Contract Objections Deadline”).

3. **Auction.** If one or more Qualified Bids is received by the Bid Deadline, the Debtors will conduct the Auction with respect to the Debtors’ Acquired Assets. The Auction will commence on **September 24, 2025, at 10:00 a.m. (prevailing Eastern Time)**, at the offices of Morris, Nichols, Arsht & Tunnell LLP, 1201 N Market Street, 16th Floor, Delaware, Wilmington 19801, telephonically or by video via Zoom, or such later time or other place as determined by the Debtors. The Debtors have the right to adjourn or cancel the Auction at or prior to the Auction. **All interested or potentially affected parties should carefully review the Bidding Procedures and the Bidding Procedures Order.**

4. **Auction Objection Deadline.** If the Auction is held, the deadline to file an objection to the conduct of the Auction, the choice of Successful Bidder and/or Back-Up Bidder, other than the Stalking Horse Bidder (an “Auction Objection”) is **September 25, 2025, at 11:59 p.m. (prevailing Eastern Time)** (the “Supplemental Sale Objection Deadline”). The deadline to file any Contract Objections solely on the basis of adequate assurance of future performance by a Successful Bidder and/or Back-Up Bidder other than the Stalking Horse Bidder (a “Supplemental Adequate Assurance Objection”) is **September 25, 2025, at 11:59 p.m. (prevailing Eastern Time)** (the “Supplemental Adequate Assurance Objection Deadline”).

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<sup>2</sup> The following dates and deadlines may be modified or extended by the Debtors or the Court without any further notice.

5. **Sale Hearing.** A hearing (the “Sale Hearing”) to consider approval of the proposed Sale **free and clear of all liens, claims, interests and encumbrances** will be held on **September 26, 2025** before the Honorable Thomas M. Horan, Bankruptcy Judge, United States Bankruptcy Court for the District of Delaware, at District of Delaware, at 824 Market Street North, Wilmington, Delaware 19801, or at such other place (which may be by video conference) and time as the Debtors shall notify all Qualified Bidders and all other parties entitled to attend the Auction.

**The foregoing dates and deadlines may be extended or otherwise modified by the proposed Bid Procedures Order or other order of the Court. You should review the case website for any modifications at <https://dm.epiq11.com/WalkerEdision>.**

### **FILING OBJECTIONS**

Sale Objections, Contract Objections, Auction Objections and Non-Stalking Horse Adequate Assurance Objections, if any, must: (i) be in writing, (ii) conform to the applicable provisions of the Bankruptcy Rules, the Local Rules and any orders of the Court, (iii) state with particularity the legal and factual basis for the objection and the specific grounds therefor and (iv) be filed with the Court and served so as to be actually received no later than the Sale Objection Deadline by the following parties: (a) (a) the Debtors, Walker Edison Holdco LLC, 1553 W 9000 S, West Jordan, UT 84088, Attn: Nate Brown ([nate.brown@walkeredison.com](mailto:nate.brown@walkeredison.com)); (b) proposed counsel to the Debtors, Morris, Nichols, Arsht & Tunnell LLP, 1201 N. Market Street, 16th Floor, Wilmington, Delaware 19801, Attn: Robert J. Dehney, Sr., Esq. ([rdehney@morrisnichols.com](mailto:rdehney@morrisnichols.com)); Donna L. Culver, Esq. ([dculver@morrisnichols.com](mailto:dculver@morrisnichols.com)); Daniel B. Butz, Esq. ([dbutz@morrisnichols.com](mailto:dbutz@morrisnichols.com)); Scott D. Jones, Esq. ([sjones@morrisnichols.com](mailto:sjones@morrisnichols.com)); and Echo Yi Qian, Esq. ([eqian@morrisnichols.com](mailto:eqian@morrisnichols.com)); (c) the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”): 844 King Street, Room 2207, Wilmington, Delaware 19801, Attn: Malcolm M. Bates, Esq. ([Malcolm.M.Bates@usdoj.gov](mailto:Malcolm.M.Bates@usdoj.gov)); (d) counsel to any official committee of unsecured creditors appointed in the cases (the “Committee”); (e) (i) co-counsel to the Stalking Horse Bidder, Sidley Austin LLP, 555 California Street, Suite 2000, San Francisco, CA 94104, Attn: Vijay Sekhon ([vsekhon@sidley.com](mailto:vsekhon@sidley.com)); Stephen E. Hessler ([shessler@sidley.com](mailto:shessler@sidley.com)); and Patrick Venter ([pventer@sidley.com](mailto:pventer@sidley.com)) and (ii) co-counsel to the Stalking Horse Bidder, Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 N King St, Wilmington, DE 19801, Attn: Michael Nestor ([mnestor@ycst.com](mailto:mnestor@ycst.com)) and Robert F. Poppiti, Jr. ([RPoppiti@ycst.com](mailto:RPoppiti@ycst.com)); and (f) counsel to the proposed DIP Lender, Whiteford, Taylor & Preston LLP, 3190 Fairview Park Drive, Suite 800, Falls Church VA 24042 Attn: David Gaffey, Esq. ([DGaffey@whitefordlaw.com](mailto:DGaffey@whitefordlaw.com)) and Brandy M. Rapp, Esq. ([BRapp@whitefordlaw.com](mailto:BRapp@whitefordlaw.com)).

**PLEASE TAKE FURTHER NOTICE** that copies of the Sale Motion (and all exhibits thereto), the Bid Procedures Order, the Bid Procedures, and proposed Sale Order (and all exhibits thereto) are available for review free of charge by accessing <https://dm.epiq11.com/WalkerEdision>.

**PLEASE TAKE FURTHER NOTICE** that, in accordance with the Bid Procedures Order, a separate notice will be provided to the counterparties to executory contracts and unexpired leases that may be assumed and assigned in connection with the Sale.

Dated: August [●], 2025  
Wilmington, Delaware

Respectfully submitted,

**MORRIS, NICHOLS, ARSHT & TUNNELL LLP**

/s/ Draft

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*Proposed Counsel to the Debtors and  
Debtors in Possession*

**EXHIBIT B**

**Stalking Horse Agreement**

**ASSET PURCHASE AGREEMENT**

**BY AND AMONG**

**WALKER EDISON HOLDCO LLC, WALKER EDISON INTERMEDIATE, LLC,  
WALKER EDISON FURNITURE COMPANY LLC, EW FURNITURE, LLC**

**AND**

**TWIN-STAR INTERNATIONAL, INC.**

**Dated as of August 28, 2025**

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## EXHIBITS

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## ASSET PURCHASE AGREEMENT

**THIS ASSET PURCHASE AGREEMENT** (this “Agreement”) is dated as of August 28, 2025, and entered into by and among Walker Edison Holdco LLC, a Delaware limited liability company, Walker Edison Intermediate, LLC, a Delaware limited liability company, Walker Edison Furniture Company LLC, a Utah limited liability company, and EW Furniture, LLC, a Utah limited liability company (each individually, a “Seller”, and collectively, “Sellers”), and Twin-Star International, Inc., a Florida corporation (“Purchaser”). Sellers and Purchaser are collectively referred to as the “Parties” and individually as a “Party.”

**WHEREAS**, Sellers are in the business of ready-to-assemble home furnishings through e-commerce channels (the “Business”);

**WHEREAS**, Sellers filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. § 101, *et seq.* (“Bankruptcy Code”), in the United States Bankruptcy Court for the District of Delaware (“Bankruptcy Court”) on August 28, 2025 (the “Petition Date”), Case No. \_\_\_\_\_ (the “Chapter 11 Cases”);

**WHEREAS**, Sellers continue in the possession and control of their assets and properties in accordance with Sections 1107 and 1108 of the Bankruptcy Code; and

**WHEREAS**, Sellers desire to sell, assign, transfer, convey and deliver to Purchaser all of the Acquired Assets pursuant to the terms and conditions of this Agreement, and Purchaser desires to so purchase, acquire, assume and accept the Acquired Assets from Sellers in accordance with the terms and conditions of this Agreement and the Bidding Procedures Order and Free and Clear.

**NOW, THEREFORE**, in consideration of the foregoing premises, the representations, warranties, covenants and agreements contained herein, and certain other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

### ARTICLE I DEFINITIONS

#### 1.1 Definitions.

As used herein, the following terms shall have the following meanings:

“Accounting Methodology” means GAAP applied using the same accounting principles, methods, practices, reserves and accruals utilized in preparing the Financial Statements, applied on a consistent basis with such Financial Statements.

“Accounts Receivable” shall mean all gross accounts receivable of Sellers and other receivables of Sellers (whether or not billed) as determined in accordance with the Accounting Methodology.

“Acquired Assets” has the meaning assigned to that term in Section 2.1.

“Acquired Claims” has the meaning assigned to that term in Section 2.1(c).

“Action” means any action, audit, claim (including any cross-claim or counterclaim), cause of action, assessment, inquiry, investigation, examination, proceeding, arbitration or litigation of any kind (whether civil, criminal, administrative, or investigative, and including any appellate proceeding arising therefrom) commenced, brought, conducted or heard by or before any Governmental Body or arbitrator, including any cancellation, opposition, inter parties review, or similar proceeding.

“Additional Payment Amount” has the meaning set forth in Section 2.6(b)(iv).

“Affiliate” means, with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person, and the term “control” (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by contract or otherwise. For purposes of this Agreement, Purchaser and its Affiliates shall be deemed not to be “Affiliates” of any Seller and Sellers and their respective Affiliates shall be deemed not to be “Affiliates” of Purchaser and its Affiliates.

“Affiliated Plan Liabilities” has the meaning assigned to that term in Section 6.9(b).

“Agreement” has the meaning assigned to that term in the Preamble.

“Allocation” has the meaning assigned to that term in Section 2.13.

“Alternative Transaction” has the meaning assigned to that term in Section 7.1(c).

“Ancillary Agreements” means any certificate, agreement, document or other instrument to be executed and delivered in connection with this Agreement.

“Annual Financial Statement” has the meaning assigned to that term in Section 4.8.

“Assigned IP” has the meaning assigned to that term in Section 2.1(f).

“Approval Order” has the meaning assigned to that term in Section 6.6(a).

“Assigned Contracts” has the meaning assigned to that term in Section 2.1(g).

“Assumed Liabilities” has the meaning assigned to that term in Section 2.3.

“Assumption Notice” has the meaning assigned to that term in Section 2.10(b).

“Balance Sheet Date” has the meaning assigned to that term in Section 4.8.

“Bankruptcy Code” has the meaning assigned to that term in the Preamble.

“Bankruptcy Court” has the meaning assigned to that term in the Preamble.

“Bankruptcy Court Milestones” has the meaning assigned to that term in Section 6.5(b).

“Bankruptcy Petition” shall mean the voluntary bankruptcy petition filed by each Seller on the Petition Date, with the Bankruptcy Court, and “Bankruptcy Petitions” shall mean, collectively, the voluntary bankruptcy petitions of all of Sellers.

“Base Purchase Price” has the meaning assigned to that term in Section 2.6(a)(i).

“Bid Procedures” or “Bidding Procedures” means those certain bidding procedures filed and approved by the Bankruptcy Court and attached as Exhibit 1 to the Bidding Procedures Order.

“Bid Protections” means any Break-Up Fee and Expense Reimbursement.

“Bidding Procedures Order” has the meaning assigned to that term in Section 6.5.

“Bill of Sale and Assignment and Assumption Agreement” means that certain Bill of Sale and Assignment and Assumption Agreement, dated as of the Closing Date, by and between Purchaser and Sellers, substantially in the form attached here to as Exhibit A.

“Break-Up Fee” has the meaning assigned to that term in Section 7.2(b).

“Business” has the meaning assigned to that term in the Preamble.

“Business Day” means any day on which commercial banking institutions are open for business in Wilmington, Delaware.

“Cash Payment” has the meaning assigned to that term in Section 2.6(a)(iii).

“Chapter 11 Cases” has the meaning assigned to that term in the Preamble.

“CIM” means the Confidential Information Presentation of Walker Edison prepared by Lincoln International dated June 18, 2025.

“Closing” has the meaning assigned to that term in Section 3.1.

“Closing Date” has the meaning assigned to that term in Section 3.1.

“Closing Date Report” has the meaning assigned to that term in Section 2.6(a)(ii).

“COBRA” means Part 6 of Subtitle B of Title I of ERISA, Section 4980B of the Code, or similar state or local Law.

“Code” means the Internal Revenue Code of 1986, as amended.

“Confidentiality Agreement” has the meaning assigned to that term in Section 8.17.

“Continuation Costs” has the meaning assigned to that term in Section 2.10(a).

“Contract Assignment Agreement” means that certain Contract Assignment Agreement, dated as of the Closing Date, by and between Purchaser and Sellers, substantially in the form attached here to as Exhibit B.

“Contracts” means all agreements, contracts, leases, consensual obligations, promises, commitments or undertakings (including any indenture, note, bond, mortgage, deed of trust, or other evidence of indebtedness), whether written or oral, other than Employee Benefit Plans.

“Cure Amount Schedule” has the meaning assigned to that term in Section 2.9.

“Cure Amounts” means all amounts, costs and expenses payable in respect of the Assigned Contracts so that they may be assumed and assigned to Purchaser pursuant to Sections 363 and 365 of the Bankruptcy Code, as agreed to by Purchaser and each party to the Assigned Contracts or, absent such agreement, as determined by a Final Order of the Bankruptcy Court.

“Data Protection Requirements” means all applicable Laws, industry requirements, public statements or privacy policies, and Contracts relating to the (i) privacy, confidentiality, integrity, availability, collection, use, access, processing, protection, Security Incident notification, deletion or disclosure of Sellers’ data or IT systems, (ii) cybersecurity (including secure software development), or (iii) artificial intelligence, automated decision making, or machine learning technologies.

“Debtors” shall mean Sellers collectively, and “Debtor” shall mean each of the foregoing individually.

“Deposit” has the meaning assigned to that term in Section 2.7(a).

“Designation Cost Overage” has the meaning assigned to that term in Section 2.10(a).

“Designation Right Contract” has the meaning assigned to that term in Section 2.10(a).

“Designation Rights Period” means the period of sixty (60) days from and after the Closing Date, which period may be extended by mutual agreement of Sellers and Purchaser.

“DIP Budget” means the debtor-in-possession financing budget approved by the debtor-in-possession lender and authorized by any Order by the Bankruptcy Court on or about the date hereof.

“Disputed Items” has the meaning assigned to that term in Section 2.6(b)(ii)(C).

“Effective Time” has the meaning assigned to that term in Section 3.1.

“Employee Benefit Plans” shall mean all “employee benefit plans” (as defined in Section 3(3) of ERISA, whether or not subject to ERISA) and each other compensation or benefit plan, program, practice, policy, arrangement or agreement, including any pension, retirement,

profit sharing, employment, consulting, non-competition, employee non-solicitation, employee loan, bonus, incentive, compensation, equity or equity-based compensation, stock purchase, deferred compensation, retention, change in control, severance, unemployment benefits, sick leave, leave of absence, vacation, paid time off, salary continuation, disability, hospitalization, health, medical, life insurance or other death benefit, educational assistance, training, service award, Section 125 cafeteria, dependent care, flexible spending account, tax gross-up, welfare, fringe benefit or similar plan, program, policy, practice agreement or arrangement, in each case, whether written or unwritten, qualified or unqualified, funded or unfunded and all underlying insurance policies, trusts and other funding vehicles, in each case, (i) that is maintained, sponsored, contributed to or required to be contributed to by Sellers or any of their Affiliates, (ii) that is for the benefit of any current or former employee or other service provider of Sellers or any of their Affiliates (or a beneficiary or dependent thereof), or (iii) as to which Sellers or any of their Affiliates are a party or with respect to which Sellers or any of their Affiliates have or could reasonably be expected to have any obligation or Liability, contingent or otherwise.

“Equity Interests” means, with respect to any Person, (a) capital stock of, partnership interests, membership interests or other equity interests in, such Person, (b) securities or other rights exercisable, convertible into or exchangeable for shares of capital stock, partnership interests, membership interests, voting securities or other equity interests in such Person and (c) options, warrants, calls, commitments or other rights to acquire any of the foregoing described in clauses (a) and (b), whether fixed or contingent, matured or unmatured, contractual, legal, equitable or otherwise.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and regulations and formal guidance issued thereunder.

“ERISA Affiliate” means any trade or business (whether or not incorporated) which together with any Seller would be treated as a single employer under Section 414 of the Code or Section 4001 of ERISA.

“Escrow Agent” has the meaning assigned to that term in Section 2.7(a).

“Estate” shall mean the estate of each Debtor created by Section 541 of the Bankruptcy Code upon the filing of the Bankruptcy Petition, and “Estates” shall mean, collectively, the estates of all of the Debtors created by Section 541 of the Bankruptcy Code in the Chapter 11 Case.

“Estate Causes of Action” shall mean any and all causes of action, defenses, and counterclaims accruing to the Debtors or to a trustee or to a creditor or that is property of their Estates or related to their claims, based upon facts, circumstances and transactions or agreements that occurred prior to the Closing Date, including any avoidance, illegal or unauthorized dividend, fraudulent transfer, or other recovery action that belongs to, have previously been raised by, could have been raised, or can be raised post-filing by the Debtors or the debtors in possession or their respective Estates under Chapter 5 of the Bankruptcy Code or other federal or state law, except for any Acquired Claims, but including, for the avoidance of doubt, any and all claims between and among Debtors, against current and prior direct and indirect stockholders, members, directors,

managers, officers or employees; provided, that Estate Causes of Action shall include the right to defend and assert counterclaims in respect to any Acquired Claims.

“Estimated Accounts Receivable” has the meaning assigned to that term in Section 2.6(a)(ii).

“Estimated Post-Petition Inventory” has the meaning assigned to that term in Section 2.6(a)(ii).

“Estimated Pre-Petition In-Transit Inventory” has the meaning assigned to that term in Section 2.6(a)(ii).

“Estimated Pre-Petition On-Hand Inventory” has the meaning assigned to that term in Section 2.6(a)(ii).

“Estimated Retained Employee Costs” has the meaning assigned to that term in Section 2.6(a)(ii).

“Estimated Specified Vendor Costs” has the meaning assigned to that term in Section 2.6(a)(ii).

“Estimated Unfilled Customer Order Inventory” has the meaning assigned to that term in Section 2.6(a)(ii).

“Excluded Assets” has the meaning assigned to that term in Section 2.2.

“Excluded Inventory” means any and all Inventory set forth in Schedule 1.1(a).

“Excluded Liabilities” has the meaning assigned to that term in Section 2.4.

“Excluded Taxes” means, without duplication, any (a) Taxes imposed on Sellers or any of its Affiliates, including any liability of Sellers or any of their Affiliates for Taxes of any other Person under Treasury Regulation Section 1.1502-6 (or any similar provision of state, local or non-U.S. Law), as transferee or successor, by contract or operation of law, or otherwise, (b) Taxes arising out of, relating to or with respect to the Excluded Assets or Excluded Liabilities for any taxable period, (c) Taxes arising out of, relating to or with respect to the Assumed Liabilities, Business or the Acquired Assets with respect to any Pre-Closing Tax Period (including with respect to the portion of any Straddle Period ending on the Closing Date), and (d) any bulk sale or similar Taxes not exempt under the Final Order pursuant to Section 6.10(d).

“Expense Reimbursement” has the meaning assigned to that term in Section 7.2(b).

“Final Adjustment Report” has the meaning set forth in Section 2.6(b)(ii)(B).

“Final Cash Payment” has the meaning set forth in Section 2.6(b)(ii)(C).

“Final Order” means an Order of the Bankruptcy Court that has not been appealed based on the assertion that the Parties have entered into this Agreement and agreed to the

transactions and performance provided for herein in bad faith, reversed, modified, amended or stayed.

“Financial Statements” has the meaning assigned to that term in Section 4.8.

“Fraud” means actual and intentional common law fraud by a Party or its representatives, as determined in accordance with the Laws of the State of Delaware, with respect to the making of any representation or warranty by such Party set forth in this Agreement.

“Free and Clear” means free and clear of all Liens, claims, and interests to the maximum extent permitted by Section 363(f) of the Bankruptcy Code.

“GAAP” means generally accepted accounting principles, consistently applied.

“Governmental Authorization” means any consent, franchise, license, registration, Permit, Order or approval issued, granted, given or otherwise made available by or under the authority of any Governmental Body or pursuant to any Law, including, as the context may require, any declarations or filings with, or expiration of waiting periods imposed by, any such Governmental Body.

“Governmental Body” means any (a) nation, state, county, city, town, borough, village, district or other jurisdiction, (b) federal, state, local, municipal, foreign or other government, (c) governmental or quasi-governmental body of any nature (including any agency, branch, department, board, commission, court, tribunal or other entity exercising governmental or quasi-governmental powers), (d) multinational organization or body, (e) body exercising, or entitled or purporting to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power, or (f) official of any of the foregoing.

“Holdback Amount” has the meaning assigned to that term in Section 2.6(b)(v).

“Indebtedness” of any Person means, without duplication, (a) the principal, interest and premium (if any) in respect of (i) indebtedness of such Person for money borrowed and (ii) indebtedness evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable; (b) all obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations of such Person and all obligations of such Person under any title retention agreement (but excluding trade accounts payable arising in the ordinary course of business); (c) all obligations of such Person under leases required to be capitalized in accordance with GAAP; (d) all obligations of such Person with respect to any letter of credit, banker’s acceptance or similar credit transaction; (e) all (i) earned, unused or accrued or outstanding severance or termination payments or benefits, (ii) earned, unused or accrued paid time off (including vacation, personal and sick days), (iii) earned, unused or accrued bonuses, commissions or other incentive compensation, (iv) any unfunded or underfunded pension, deferred compensation or retirement Liabilities and (v) any Liabilities associated with any post-retirement medical, post-employment benefit or nonqualified deferred compensation plans, programs, agreements or arrangements, in each case of clauses (i) through (v), together with the employer’s portion of all payroll, employment, unemployment, social security or similar Taxes in connection with such Liabilities or amounts, (f) all obligations of the type referred to in clauses (a) through (e) of any Persons for the payment of which such Person is responsible or liable,

directly or indirectly, as obligor, guarantor, surety or otherwise, including guarantees of such obligations; and (g) all obligations of the type referred to in clauses (a) through (f) of other Persons secured by any Lien on any property or asset of such Person (whether or not such obligation is assumed by such Person).

“Insurance Policies” means the material insurance policies related to the Business or the Acquired Assets or the Assumed Liabilities, in each case, owned or held by any Seller (including policy periods and the amounts of coverage, limits and deductibles) as of the date hereof.

“Intellectual Property” means (a) patents, pending applications for patents and statutory invention registrations, including continuations, continuations-in-part, divisions, provisional and non-provisional applications, reexaminations, reissues and extensions; (b) trademarks, service marks, trade names, corporate names, and other indicia of source of origin, including all common law rights thereto and all goodwill associated therewith and registrations and pending applications for registration thereof (“Trademarks”); (c) works of authorship, copyrights, and all applications and registrations thereof; (d) domain name registrations (“Copyrights”); (e) trade secrets, know-how, confidential or proprietary technical, business and other information, including processes, techniques, methods, formulae, designs, product specifications, algorithms, supplier information, prospect lists, customer lists, projections, analyses, market studies and similar proprietary items that are in Sellers’ possession, and all rights therein and thereto (“Trade Secrets”); (f) inventions (whether patentable or unpatentable, and whether or not reduced to practice), invention disclosures, mask works, circuit designs and other designs, industrial design rights, discoveries, ideas, developments, data, and software; (g) all other proprietary and intangible rights; and (h) all copies and tangible embodiments thereof (in whatever form or medium).

“Interim Financial Statements” has the meaning assigned to that term in Section 4.8.

“Inventory” means all inventory of any kind or nature, whether or not prepaid, and wherever located, owned by any Seller or by the Business, including all raw materials, work in process, semi-finished and finished products, replacement and spare parts, packaging materials, operating supplies, in-transit or consigned inventory and fuels and other similar items, but excluding any and all Excluded Inventory.

“IP Assignment Agreement” means that certain IP Assignment Agreement, dated as of the Closing Date, by and between Purchaser and Sellers, substantially in the form attached here to as Exhibit C.

“IT Systems” means the Software, systems, servers, network equipment and other information technology systems owned, leased or licensed by Sellers and used in connection with the operation of the Business.

“Knowledge” means the actual knowledge of Jeffrey P. Werner and Nate Brown.

“Law” means any applicable federal, state, local, municipal, foreign, international, multinational or other constitution, law, ordinance, principle of common law, code, regulation, statute or treaty.

“Leased Real Property” has the meaning assigned to that term in Section 2.2(j).

“Liability” means any and all obligations, liabilities, debts and commitments, whether known or unknown, asserted or unasserted, fixed, absolute or contingent, matured or unmatured, accrued or unaccrued, liquidated or unliquidated, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence, strict liability, or otherwise) and whether or not the same would be required by GAAP to be reflected as a liability in financial statements or disclosed in the notes thereto.

“Lien” means all forms of lien (including mechanic’s, warehousemen’s, carrier’s, contractor’s or other similar liens arising under or relating to the provision of goods or services on or to any Acquired Assets, and lien issued pursuant to Section 361, 363 or 364 of the Bankruptcy Code), encumbrance, mortgage, deed to secure debt, transfer restriction, deed of trust, pledge, charge, title defect, security interest, pledge, leasehold interest or other legal or equitable encumbrance of any kind, including any other rights granted or consensual as or against any Acquired Assets including easements, encroachments, rights of first refusal, options, or any other interest or right in property that constitutes a lien or interest within the definition or adjudication of such terms under the Bankruptcy Code.

“Material Adverse Effect” means a material adverse effect on (a) the Business, Acquired Assets, Assumed Liabilities, or condition (financial or otherwise) of Sellers (other than those resulting solely from the commencement of the Bankruptcy Petition), (b) the ability of Sellers to perform any of its obligations under this Agreement (other than those resulting solely from the commencement and continuation of the Chapter 11 Cases), (c) the legality, validity, or enforceability of this Agreement, or (d) the rights and remedies of Purchaser under this Agreement, but in each case excluding such effect to the extent resulting from or arising in connection with the following (except to the extent such effect disproportionately affects Sellers relative to other companies in the same industry): (i) changes or conditions affecting the industries generally in which Sellers operate, including changes to tax, stamp duty, tariffs, customs, duties and similar charges, (ii) changes in national or international business, economic, political or social conditions, including the engagement of the United States of America in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack upon the United States of America or any of its territories, possessions or diplomatic or consular offices or upon any military installation, equipment or personnel of the United States of America, (iii) changes in financial, banking or securities markets (including any disruption thereof or any decline in the price of securities generally or any market or index), (iv) the announcement, pendency or completion of the Transactions, including losses or threatened losses of employees, customers, suppliers, distributors or others having relationships with Sellers, or (v) changes in Law or GAAP or interpretations thereof.

“Material Contracts” has the meaning assigned to that term in Section 2.9.

“Neutral Firm” means a recognizable, reputable and impartial certified public accounting firm that is mutually acceptable to Purchaser and Sellers.

“Neutral Firm’s Report” has the meaning assigned to that term in Section 2.6(b)(ii)(C).

“Next-Highest Bidder” has the meaning set forth in the Bid Procedures.

“Notice of Disagreement” has the meaning assigned to that term in Section 2.6(b)(ii)(B).

“Order” means any award, decision, determination, temporary or permanent injunction, order, judgment, ruling, decree, writ, subpoena, stipulation, settlement, verdict, or assessment or arbitration award entered, issued, promulgated, made, or rendered by any court, administrative agency, or other Governmental Body or by any arbitrator.

“Outside Date” means the date that is earlier of (a) sixty (60) days following the Petition Date and (b) October 24, 2025.

“Permit” means all permits, authorizations, licenses, registrations, certificates, franchises, clearances, qualifications, exemptions, waivers, variances, privileges, consents and other approvals issued by or from any Governmental Body.

“Person” means any individual, corporation, partnership, joint venture, trust, association, limited liability company, unincorporated organization, other entity, or Governmental Body or subdivision, agency, commission or authority thereof.

“Personal Property” has the meaning assigned to that term in Section 2.1(a).

“Petition Date” has the meaning assigned to that term in the Preamble.

“Post-Petition Inventory” means all Inventory purchased by the Sellers during the period from the Petition Date to the Closing Date only to the extent such Inventory (a) (i) is en-route from the U.S. port to the Warehouse Locations or (ii) is located at the Warehouse Locations, prior to or on the Closing Date (whether it has been fully paid or not), (b) is Free and Clear and (c) has not been sold by the Sellers prior to or on the Closing Date, with such amount determined in accordance with the Accounting Methodology.

“Pre-Closing Tax Period” means any tax period ending on or before the Closing Date and the portion of any Straddle Period ending on the Closing Date.

“Pre-Petition In-Transit Inventory” means the Inventory set forth on Schedule 1.1(b) owned by the Sellers not located in the Warehouse Locations as of the Petition Date only to the extent such Inventory (a) (i) is en-route from the U.S. port to the Warehouse Locations or (ii) is located at the Warehouse Locations, prior to or on the Closing Date (whether it has been fully paid or not), (b) is Free and Clear and (c) has not been sold by the Sellers prior to or on the Closing Date, with such amount determined in accordance with the Accounting Methodology.

“Pre-Petition On-Hand Inventory” means the Inventory owned by the Sellers located in the Warehouse Locations as of the Petition Date with such amount determined in accordance with the Accounting Methodology.

“Prepetition ABL Financing Agreement” means that certain ABL Credit Agreement dated as of September 26, 2018 by and among Sellers, Wells Fargo Bank, as administrative agent and collateral agent, and the lenders and other parties thereto, as amended from time to time and as may be further amended from time to time.

“Prepetition Financing Agreements” means the Prepetition ABL Financing Agreement and the Prepetition Term Loan Financing Agreement.

“Prepetition Lenders” means the lenders under the Prepetition Financing Agreements.

“Prepetition Secured Debt” means any amounts payable to the Prepetition Lenders in respect of secured Indebtedness of Sellers.

“Prepetition Term Loan Financing Agreement” means that certain Amended and Restated Loan Agreement dated as of March 1, 2023 by and among Sellers, Owl Rock Capital Corporation, as administrative agent and collateral agent, and the lenders and other parties thereto, as amended from time to time and as may be further amended from time to time.

“Proceeding” means any action, arbitration, audit, collection action, hearing, investigation, litigation, proceeding or suit (whether civil, criminal, administrative or investigative) commenced, brought, conducted, heard by or before, or otherwise involving (a) any Governmental Body, (b) any citizen suit brought on behalf of the public or a Governmental Body, (c) any private arbitration, mediation or other alternative dispute resolution body or (d) any other Person.

“Purchase Price” has the meaning assigned to that term in Section 2.6(a)(i).

“Purchase Price Adjustment Resolution Period” has the meaning assigned to that term in Section 2.6(b)(ii)(B).

“Purchase Price Adjustment Review Period” has the meaning assigned to that term in Section 2.6(b)(ii)(A).

“Purchaser” has the meaning assigned to that term in the Preamble.

“Purchaser Adjustment Report” has the meaning assigned to that term in Section 2.6(b)(i).

“Purchaser Plans” has the meaning assigned to that term in Section 6.9(c).

“Registered Assigned IP” has the meaning assigned to that term in Section 4.5(a).

“Registered IP” means any and all Intellectual Property that is registered, filed or issued (or for which an application is pending for registration, filing or issuance) under the authority of, with or by any Governmental Body (or, in the case of internet URLs and domain names, under the authority of any authorized private registrar).

“Rejection Notice” has the meaning assigned to that term in Section 2.10(c).

“Related Claims” means all claims or causes of action (whether in contract or tort, in law or in equity, or granted by statute or otherwise) that may be based upon, arise out of or relate to this Agreement, the Ancillary Agreements and any other document or instrument delivered pursuant to this Agreement or the Ancillary Agreements, or the negotiation, execution, termination, validity, interpretation, construction, enforcement, performance or nonperformance of this Agreement or the Ancillary Agreements or otherwise arising from the Transactions (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with, or as an inducement to enter into, this Agreement or the Ancillary Agreements).

“Retained Employee Costs” the aggregate amount of any Liabilities (including benefits) exclusively related to the Retained Employees that are not Transferred Employees accrued from and after the Petition Date and, with respect to any such individual Retained Employee, up to five (5) days following Sellers receipt of notice from Purchaser that such Retained Employee will not be a Transferred Employee, that remain outstanding and unpaid as of the Closing Date and were incurred in the ordinary course of business.

“Retained Employee(s)” has the meaning assigned to that term in Section 6.9(a).

“Security Incident” means any unauthorized processing of Sellers’ data, any unauthorized access or disruption to the Sellers’ IT systems, or any incident that may require notification to any Person under Data Protection Requirements.

“Seller” or “Sellers” has the meaning assigned to that term in the Preamble.

“Software” means computer software (including software implementations of algorithms, models and methodologies, whether in source code or object code, HTML code and firmware and other software embedded in hardware devices), data files, source and object codes, technical components, application programming interfaces, tools, user interfaces, manuals and other specifications and documentation and all know-how relating thereto, in each case with respect to any environment (including development, testing, production, distribution, maintenance and support).

“Specified Vendor Costs” means the aggregate amount of any Liabilities incurred and accrued after the Petition Date by Sellers to the Specified Vendors that qualify as administrative claims, net of any defenses or rights of offset, against the Sellers under 503 of the Bankruptcy Code and which remain outstanding and unpaid as of the Closing Date and constitute an Assumed Liability related to an Assigned Contract, if such liability arises under a Contract. For the avoidance of doubt, Cure Amounts other than such administrative claims against the Sellers related to such Assigned Contracts shall not be Specified Vendor Costs and shall not reduce the Purchase Price as set forth in Section 2.6.

“Specified Vendors” means the vendors or other parties set forth in Schedule 1.1(c).

“Straddle Period” means any taxable period beginning before and ending after the Closing.

“Subsidiary” means, with respect to any Person, any other Person a majority of the outstanding voting securities or other voting Equity Interests of which is owned, directly or indirectly, by such first Person.

“Target Accounts Receivable” means \$7,527,343.

“Target Pre-Petition On-Hand Inventory” means \$27,499,202.

“Tax” or “Taxes” means (i) any federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, custom duties, capital stock, franchise, profits, withholding, social security (or similar excises), unemployment, disability, tariff, escheat or unclaimed property, ad valorem, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto (or relating to an obligation to file a Tax Return), whether disputed or not, by any Governmental Body responsible for imposition of any such tax (domestic or foreign); or (ii) any liability of Sellers for the payment of amounts with respect to payments of a type described in clause (i) as a result of being a member of an affiliated, consolidated, combined or unitary group, or as a result of any obligation of Sellers under any Tax sharing arrangement, Tax indemnity agreement or similar Contracts, as a transferee or successor, by Contract or operation of Law or otherwise.

“Tax Proceeding” means any audit, request for information, investigation, hearing, litigation, claim, legal action, judicial contest or other dispute relating to Taxes.

“Tax Return” means any return, declaration, information report, election, claim for refund or filing with respect to Taxes, including any schedules, supplements or attachments thereto and including any amendment thereof.

“Transactions” has the meaning assigned to that term in Section 2.4.

“Transfer Taxes” has the meaning assigned to that term in Section 6.10(a).

“Transferred Employees” has the meaning assigned to that term in Section 6.9(a).

“Trustee” means any trustee or fiduciary appointed to act on behalf of the Debtors or as successor to the Debtors.

“Unfulfilled Customer Orders” means customer orders made through Sellers’ website, which are paid on credit and for which there is an outstanding accounts receivable on the Closing Date, but for which the Company has not yet released inventory in respect to such order.

“Unfulfilled Customer Order Inventory” means on-hand Inventory attributable to Unfulfilled Customer Orders.

“Warehouse Locations” means those locations set forth in Schedule 1.1(d).

“WARN Act” means federal Worker Adjustment and Retraining Notification Act or any similar state, local or foreign law.

## ARTICLE II SALE AND PURCHASE OF ASSETS; CONSIDERATION

2.1 **Sale and Purchase of Assets.** On the terms and subject to the conditions set forth in this Agreement, on the Closing Date, Purchaser shall purchase from Sellers, and Sellers shall sell, assign, transfer, convey and deliver to Purchaser, all of each Seller’s right, title and interest in and to all assets, properties, rights, interests, benefits and privileges of whatever kind or nature, both tangible and intangible, real and personal, wherever located, whether owned or leased, that are used by Sellers in connection with the operation of the Business (except for the Excluded Assets), to the extent transferable under applicable Law, the Bankruptcy Code or otherwise, as those assets, properties, rights, interests, benefits and privileges exist on the Closing Date, Free and Clear. Without limiting the foregoing, the assets, properties, rights, interests, benefits and privileges sold, assigned, transferred, conveyed and delivered by Sellers hereunder (collectively, the “Acquired Assets”) shall include all of each Seller’s right, title and interest in and to the following:

(a) all tangible personal property, including all machinery, equipment (including all transportation and office equipment), vehicles, computers, mobile phones, personal digital assistants, fixtures, trade fixtures, computer equipment, hardware, peripherals, information technology infrastructure, telephone systems, furniture, office supplies, production supplies, spare parts, other miscellaneous supplies, and other tangible personal property of any kind owned by Sellers, wherever located, including all such items which are located in any building, warehouse, office or other space leased, owned or occupied by Sellers or any other space where any of Sellers’ properties or any other assets maybe situated, in each case, except as set forth on Schedule 2.1(a) (collectively, “Personal Property”);

(b) without duplication, all Pre-Petition On-Hand Inventory, Pre-Petition In-Transit Inventory and Post-Petition Inventory, but excluding any and all Excluded Inventory;

(c) all rights, claims and causes of action of Sellers against third parties relating primarily to the Acquired Assets and the Assumed Liabilities existing on or after the Closing Date (including all guaranties, warranties, indemnities, and similar rights in favor of Sellers to the extent related to the Acquired Assets or the Assumed Liabilities) except to the extent they are Excluded Assets (the “Acquired Claims”);

(d) subject to Section 2.2(m), all books and records of Sellers relating primarily to the Acquired Assets, including production records, accounting records, Tax records, financial records, property records, mailing lists, marketing plans and market research, sales and purchase correspondence and customer and vendor lists, *provided* that Sellers may obtain, at their own expense, copies of any or all such books and records before their transfer to Purchaser; *provided, further* that Sellers may retain any and all documents they determine, in their reasonable discretion,

to be relevant to any causes of action that constitute Excluded Assets provided that they provide copies and reasonable access to any such documents;

(e) all intangible personal property owned or held by Sellers, but in all cases only to the extent of Sellers' interest and only to the extent transferable including, without limitation, the customer and supplier relationships of the Business, the goodwill of the Business, processes, catalogues, customer lists and other customer data bases, advertising materials, and telephone numbers identified with the Business;

(f) all Intellectual Property in which Sellers have (or purport to have) an ownership interest of any nature (whether exclusively, jointly with another Person or otherwise) and transferrable to Purchaser without cost to Sellers in accordance with Sections 363 and 365 of the Bankruptcy Code (the "Assigned IP");

(g) all Contracts, agreements, licenses (to the extent transferable), leases, warranties, commitments, and purchase and sale orders set forth on Schedule 2.1(g), in each case, to the extent transferable to Purchaser without cost to Sellers in accordance with Section 365 of the Bankruptcy Code (collectively, "Assigned Contracts"); and *provided, further*, that Purchaser shall have provided adequate assurance of future performance under Section 365(b)(1)(C) of the Bankruptcy Code with respect to any Assigned Contract;

(h) all Governmental Authorizations and all pending applications therefor or renewals thereof, in each case to the extent transferable to Purchaser and excluding Governmental Authorizations or pending applications therefor required for the continued operation of an Excluded Asset;

(i) all Accounts Receivable (including any credit card receivables) arising or accrued prior to Closing;

(j) to the extent transferrable, any Permits held by any Seller;

(k) all IT systems to the extent transferable in accordance with Sections 363 and 365 of the Bankruptcy Code, other than those set forth on Schedule 2.1(k), *provided*, that in respect to any IT system that is not an Acquired Asset, Sellers shall provide reasonable access to any such IT system during the transition period set forth in Schedule 6.13 and with respect to any IT system that is an Acquired Asset, Sellers shall be permitted to clone an instance or otherwise copy any such IT system before the Closing Date; and

(l) all pre-petition deposits and prepaid items to the extent relating to the Acquired Assets, including all prepaid rentals, prepaid expenses, prepaid maintenance and supplies, prepaid freight, holdbacks (including ordinary credit card holdback payments or protection reserves), security and unbilled charges, fees and deposits, except to the extent relating to the Estate or any Excluded Liabilities;

(m) all other assets, properties and rights identified on Schedule 2.1(m).

2.2 **Excluded Assets.** Notwithstanding the provisions of Section 2.1 or any other provision of this Agreement, the Acquired Assets do not include, and Sellers shall not transfer to

Purchaser any of the following assets, properties, rights, interests, benefits and privileges (collectively, the “Excluded Assets”):

- (a) all cash, bank deposits, securities and cash equivalents, including for this purpose, all cash and cash equivalents if credited to Sellers’ bank accounts prior to the Closing Date;
- (b) all Excluded Inventory;
- (c) all Contracts that are not Assigned Contracts;
- (d) the Personal Property set forth in Schedule 2.1(a);
- (e) all corporate minute books and records of internal corporate proceedings, stock transfer ledgers, blank stock certificates, corporate seals, tax and accounting records, work papers and other records relating to the organization or maintenance of the legal existence of each Seller;
- (f) all records that Sellers are required by law to retain;
- (g) all deposits and prepaid items that relate to the Estate, Excluded Assets or Excluded Liabilities, including all prepaid insurance, prepaid Taxes, letters of credit and bonds and prepaid charges and deposits for utilities;
- (h) all Estate Causes of Action, including, without limitation, the actions set forth on Schedule 2.2(h) or that relate in any way to or that could have been pursued in those actions;
- (i) all Equity Interests, or interests convertible into or exchangeable for Equity Interests, held by any Seller including any such interests of any Seller in another Seller;
- (j) all rights, title and interest in and to the leases, subleases, tenancy agreements, licenses or other rights of occupation (written or oral) affecting any real property used or occupied, or permitted to be used or occupied, listed on Schedule 2.2(j) (collectively, “Leased Real Property”);
- (k) (i) all Employee Benefit Plans (A) all rights in connection with the funding of any obligation under any Employee Benefit Plan and (B) all trusts and other assets attributable thereto and (ii) all other assets arising out of or directly or indirectly relating to or any other employee benefit or compensation plan, program, policy or arrangement presently or formerly maintained, contributed to (obligated to be contributed to) or entered into by any Seller or any of their Affiliates or ERISA Affiliates, or with respect to which any Seller or any of their ERISA Affiliates has or could reasonably be expected to have any actual or contingent Liability;
- (l) all assets, properties and rights identified on Schedule 2.2(l);

(m) all books and records of Sellers primarily unrelated to the Acquired Assets and Assumed Liabilities, including any books and records relevant to causes of action that constitute Excluded Assets;

(n) any attorney-client or otherwise privileged information arising from or reflecting communications between and among any Seller or their Subsidiaries (including any one or more officers, directors, employees or stockholders), on the one hand, and its or their internal or external counsel, on the other hand;

(o) the IT systems set forth on Schedule 2.1(k); and

(p) all Insurance Policies.

2.3 **Assumed Liabilities.** Upon the terms and subject to the conditions set forth herein, at the Closing, Purchaser shall assume and shall timely perform and discharge in accordance with their respective terms (a) all Liabilities and Cure Amounts with respect to the Assigned Contracts, (b) all Liabilities (including for any Tax) that arise on or after the Closing Date with respect to Purchaser's ownership or operation of the Acquired Assets on and after the Closing, (c) all Liabilities arising from the employment of Transferred Employees by Purchaser or any of its Affiliates after the Closing for wages, compensation, bonuses, deferred compensation, overtime, benefits workers' compensation, sick pay, vacation, personal days and severance benefits that are on account of events, matters and circumstances occurring after the Closing, (d) the Specified Vendor Costs, (e) Unfilled Customer Orders; and (f) all Transfer Taxes not otherwise exempt under the Final Order pursuant to Section 6.10(a) (collectively "Assumed Liabilities").

2.4 **Excluded Liabilities.** Purchaser, by its execution and delivery of this Agreement and the Ancillary Agreements and its performance of the transactions contemplated by this Agreement and the Ancillary Agreements (the "Transactions"), shall not assume and will not be obligated to assume or be obligated to pay, perform or otherwise discharge or in any way be liable or responsible for any Liability whatsoever (including, for the avoidance of doubt, Excluded Taxes and any and all claims entitled to administrative expense priority under Section 503(b)(9) of the Bankruptcy Code), whether existing on or prior to the Closing or arising thereafter, other than the Assumed Liabilities (collectively, the "Excluded Liabilities").

2.5 **Right to Modify Classification of Assets and Liabilities.** At any time up to five (5) Business Days prior to the Closing Date, Purchaser shall have the right, in its sole discretion and upon written notice to Sellers, to add or remove any Contract from the definition of Acquired Assets or Excluded Assets. Upon delivery of such written notice by Purchaser to Sellers, Sections 2.1, 2.2, 2.3 and 2.4, as applicable, and any related schedules to this Agreement shall be deemed amended automatically to reflect such additions or removals, and the Parties shall cooperate reasonably and in good faith to execute any further documents necessary to effectuate such changes. For the avoidance of doubt, any such additions or removals shall not result in any adjustment to the Purchase Price.

2.6 **Consideration.**

(a) Purchase Price.

(i) In consideration of the sale of the Acquired Assets to Purchaser, and upon the terms subject to the conditions set forth in this Agreement, the purchase price (the “Purchase Price”) for the Acquired Assets shall be equal to the sum of: (A) Twenty Million Dollars (\$20,000,000.00) (the “Base Purchase Price”), subject to this Section 2.6, *plus* (B) the assumption of the Assumed Liabilities by Purchaser.

(ii) At least five (5) Business Days prior to the Closing Date, Sellers shall prepare and deliver to Purchaser a written report (the “Closing Date Report”) setting forth in reasonable detail Sellers’ good faith estimate of the following amounts, each as of the Effective Time: (A) Accounts Receivable (the “Estimated Accounts Receivable”); (B) Pre-Petition On-Hand Inventory (“Estimated Pre-Petition On-Hand Inventory”); (C) Pre-Petition In-Transit Inventory (“Estimated Pre-Petition In-Transit Inventory”); (D) Post-Petition Inventory (“Estimated Post-Petition Inventory”); (E) the Specified Vendor Costs (“Estimated Specified Vendor Costs”) (F) the Retained Employee Costs (“Estimated Retained Employee Costs”); and (G) Unfilled Customer Order Inventory (the “Estimated Unfilled Customer Order Inventory”). Sellers shall make available to Purchaser and its representatives reasonable access during normal business hours to all relevant personnel, representatives of Sellers, books and records of the Business and other items reasonably requested by Sellers in connection with Purchaser’s review of the Closing Date Report.

(iii) On the Closing Date, subject to Schedule 2.12, Purchaser shall pay in cash to Sellers, by wire transfer of immediately available funds into one or more accounts designated by Sellers, the sum of: (A) the Base Purchase Price, *less* (B) the Deposit, *less* (C) 75% *multiplied by* the amount, if any, that Estimated Accounts Receivable is less than the Target Accounts Receivable, *plus* (D) 75% *multiplied by* the amount, if any, that Estimated Accounts Receivable is more than the Target Accounts Receivable, *less* (E) 52% *multiplied by* the amount, if any, that Estimated Pre-Petition On-Hand Inventory is less than the Target Pre-Petition On-Hand Inventory, *plus* (F) the Estimated Pre-Petition In-Transit Inventory, *plus* (G) the Estimated Post-Petition Inventory, *less* (H) the Estimated Specified Vendor Costs, *plus* (I) the Estimated Retained Employee Costs, *less* (J) 52% *multiplied by* the Estimated Unfilled Customer Order Inventory (collectively, the “Cash Payment”).

(b) Determination of Final Purchase Price.

(i) As soon as reasonably practicable following the Closing Date (but no later than sixty (60) days after the Closing Date), Purchaser shall deliver to Sellers a statement (the “Purchaser Adjustment Report”) setting forth in reasonable detail Purchaser’s good-faith calculation of Cash Payment, including each of clauses (A)-(J) of the definition of Cash Payment, in each case, as of the Effective Time.

(ii) The following procedures shall apply with respect to the review of the Purchaser Adjustment Report:

(A) Sellers shall have a period of thirty (30) days after receipt by Sellers of Purchaser Adjustment Report to review the Purchaser Adjustment Report (the “Purchase Price Adjustment Review”).

Period”). During the Purchase Price Adjustment Review Period, Purchaser shall make available to Sellers and their representatives reasonable access during normal business hours to all relevant personnel, representatives of Purchaser, books and records of the Business and other items reasonably requested by Sellers in connection with Sellers’ review of the Purchaser Adjustment Report and any dispute with respect thereto as contemplated by this Section 2.6(b).

- (B) If Sellers do not deliver to Purchaser a written statement describing any objections Sellers have to the Purchaser Adjustment Report (a “Notice of Disagreement”) on or before the final day of the Purchase Price Adjustment Review Period, then Sellers shall be deemed to have irrevocably accepted such Purchaser Adjustment Report, and such Purchaser Adjustment Report shall be deemed to be the “Final Adjustment Report” for purposes of the payment (if any) contemplated by Section 2.6(b)(iii). If Sellers deliver to Purchaser a Notice of Disagreement on or before the final day of the Purchase Price Adjustment Review Period, then Purchaser and Sellers shall attempt to resolve in good faith the matters contained in the Notice of Disagreement within thirty (30) days after Purchaser’s receipt of the Notice of Disagreement (the “Purchase Price Adjustment Resolution Period”). If Purchaser and Sellers reach a resolution with respect to such matters on or before the final day of the Purchase Price Adjustment Resolution Period, then Purchaser Adjustment Report, as modified by such resolution, shall be deemed to be the “Final Adjustment Report” for purposes of the payment (if any) contemplated by Section 2.6(b)(iii).
- (C) If such a resolution is not reached on or before the final day of the Purchase Price Adjustment Resolution Period, then Purchaser and Sellers shall promptly (and in any event no later than five (5) Business Days after the last day of the Purchase Price Adjustment Resolution Period) retain the Neutral Firm (including by executing a customary agreement with the Neutral Firm in connection with its engagement) and submit any unresolved objections covered by the Notice of Disagreement (the “Disputed Items”) to the Neutral Firm for resolution in accordance with this Section 2.6(b)(ii)(C). The Neutral Firm will be instructed to (i) make a final determination on an expedited basis (and in any event within thirty (30) days after submission of the Disputed Items) with respect to each of the Disputed Items (and only the Disputed Items) that is within the range of the respective positions taken by each of Purchaser and Sellers and (ii) prepare and deliver to Purchaser and Sellers a written

statement setting forth its final determination (and a reasonably detailed description of the basis therefor) with respect to each Disputed Item (the “Neutral Firm’s Report”). During the ten (10) days after submission of the Disputed Items to the Neutral Firm, each of Purchaser and Sellers may provide the Neutral Firm with a definitive statement in writing of their respective positions with respect to the Disputed Items (and only the Disputed Items). The Neutral Firm will be provided with reasonable access to the books and records of Purchaser and Sellers for purposes of making its final determination with respect to the Disputed Items, and Purchaser and Sellers shall otherwise reasonably cooperate with the Neutral Firm in connection therewith. Each of Purchaser and Sellers agrees that (w) the Neutral Firm’s determination with respect to each Disputed Item as reflected in the Neutral Firm’s Report shall be deemed to be final, conclusive, binding and non-appealable, absent Fraud or manifest error, (x) Purchaser Adjustment Report, as modified by any changes thereto in accordance with the Neutral Firm’s Report, shall be deemed to be the “Final Adjustment Report” for purposes of the payment (if any) contemplated by Section 2.6(b)(iii), (y) the procedures set forth in this Section 2.6(b)(ii) shall be the sole and exclusive remedy with respect to the final determination of the Final Adjustment Report and (z) the Neutral Firm’s determination under this Section 2.6(b)(ii)(C) shall be enforceable as an arbitral award, and judgment may be entered thereupon in any court having jurisdiction over the Party against which such determination is to be enforced. The Cash Payment as of the Effective Time and as set forth in the Final Adjustment Report shall be deemed the “Final Cash Payment”.

(D) Each of Purchaser and Sellers shall (i) pay their own respective costs and expenses incurred in connection with this Section 2.6(b) and (ii) be responsible for 50% of the fees and expenses of the Neutral Firm.

(iii) Within two (2) Business Days after the determination of the Final Adjustment Report in accordance with this Section 2.6(b) (including by failure to timely deliver a Notice of Disagreement):

(A) if the Additional Payment Amount is a positive number, then Purchaser shall pay an amount in cash equal to the Additional Payment Amount to Sellers by wire transfer of immediately available funds to an account of Sellers designated in writing by Sellers to Purchaser; or

(B) if the Additional Payment Amount is a negative number, then Sellers shall pay an amount in cash equal to the absolute

value of the Additional Payment Amount to Purchaser by wire transfer of immediately available funds to an account of Purchaser designated in writing by Purchaser to Sellers.

(iv) For purposes hereof, “Additional Payment Amount” means the Final Cash Payment *minus* the Cash Payment made by Purchaser in connection with the Closing (for the avoidance of doubt, the Additional Payment Amount may be a negative number).

(v) Notwithstanding any provision herein to the contrary, pending final resolution of the Additional Payment Amount, the amount of five hundred thousand dollars (\$500,000.00) (the “Holdback Amount”) shall be held back from the Deposit and continue to be held in escrow by the Escrow Agent solely for the purpose of satisfying any payment obligation of the Sellers pursuant to Section 2.6(b)(iii)(B). If the Additional Payment Amount is a positive number, the Holdback Amount shall be promptly released to Sellers. If the Additional Payment Amount is a negative number, the lesser of (A) the Holdback Amount or (B) the absolute value of the Additional Payment Amount that portion of the Holdback Amount, shall be promptly released to the Purchaser and following such release any remaining Holdback Amount shall be promptly released to Sellers.

## 2.7 Deposit.

(a) Purchaser has, on or prior to the date hereof, made an earnest money deposit with Epiq Corporate Restructuring, LLC (the “Escrow Agent”) in the amount of Two Million Five Hundred Thousand Dollars (\$2,500,000.00), representing twelve and a half percent (12.5%) of the Base Purchase Price (together with any interest, dividends, gains and other income earned with respect to such earnest money deposit, the “Deposit”), by wire transfer of immediately available funds for deposit into a separate escrow account, established pursuant to an escrow agreement. The Deposit shall not be subject to any Lien, attachment, trustee process, or any other judicial process of any creditor of any of Sellers or Purchaser and shall be applied against payment of the Cash Payment on the Closing Date.

(b) If this Agreement has been terminated by Sellers pursuant to Section 7.1(b) (at no fault of Sellers) or 7.1(e), then Sellers shall retain the Deposit together with all received investment income.

(c) If this Agreement has been terminated by any Party, other than as contemplated by Section 2.7(b), then the Deposit, together with all received investment income, if any, shall be returned to Purchaser within three (3) Business Days after such termination.

(d) The Parties hereto agree that Sellers’ right to retain the Deposit, as set forth in Section 2.7(b), is not a penalty, but rather is liquidated damages in a reasonable amount that will compensate Sellers for their respective efforts and resources expended and the opportunities foregone while negotiating this Agreement and in reliance on this Agreement and on the expectation of the consummation of the Transactions, which amount would otherwise be impossible to calculate with precision.

2.8 Non-Transferrable Acquired Assets. Notwithstanding any other provision of this Agreement to the contrary, this Agreement shall not constitute an agreement to assign any Acquired

Asset or any right thereunder if an attempted assignment, without the consent of a Governmental Body, would constitute a breach or in any way adversely affect the rights of Purchaser or any Seller thereunder. Sellers shall use reasonable best efforts to obtain such consent prior to Closing and for so long as the Chapter 11 Cases are ongoing. If such consent is not obtained or such assignment is not attainable pursuant to an Order of the Bankruptcy Court under Sections 105, 363 and/or 365 of the Bankruptcy Code, in form and substance acceptable to Sellers and Purchaser, then such Acquired Assets shall not be transferred hereunder, and the Closing shall proceed with respect to the remaining Acquired Assets.

2.9 **Cure Payments.** At the Closing, Purchaser shall pay all Cure Amounts in connection with the assumption and assignment of Assigned Contracts. Sellers have provided to Purchaser a schedule set forth on Schedule 2.9 (the “Cure Amount Schedule”) setting forth a good faith estimate of all Cure Amounts for all Contracts to which Seller is party, which schedule Sellers may update prior to the date that is five (5) days prior to the Closing Date. Sellers shall use commercially reasonable efforts to provide, as soon as reasonably practicable and no later than 30 days following the Petition Date, a schedule containing the wire information and contact information for each party entitled to receive any Cure Amounts and, prior to the Closing, Sellers and Purchaser shall cooperate in good faith to establish a protocol for the payment by Sellers of the Cure Amounts as of the Closing.

2.10 **Designation Rights.**

(a) Purchaser shall have the right, by written notice to Sellers no later than five (5) Business Days prior to the Closing Date, to specify that any Contracts to which a Seller is party shall be held by Sellers and not rejected pursuant to Section 365 of the Bankruptcy Code (such asset or liabilities, a “Designation Right Contract”) for the duration of the Designation Rights Period; *provided that*, with respect to any such Designation Right Contract, (i) Purchaser shall promptly reimburse or advance Sellers on demand, and thereby be solely responsible for, all costs associated with the continuation by, and ultimate assumption or rejection by, Sellers of such Designation Right Contract (as set forth in a budget proposed by Sellers and approved by Purchaser no later than three (3) Business Days prior to the Closing Date for the period from the Closing through the end of the Designation Rights Period (such costs, “Continuation Costs”)); (ii) all cash collected by Sellers in respect of, and other benefits deriving from, such Designation Right Contract shall be promptly delivered to Purchaser, provided that Sellers shall be entitled to deduct Continuation Costs from any cash collected by Sellers in respect of the Designation Right Contract giving rise to such costs; and (iii) the foregoing shall not affect the validity of the transfer to Purchaser of any other Acquired Asset that may be related to such Designation Right Contract. In the event that the costs associated with any Designation Right Contract exceed the budgeted Continuation Costs attributable to such Designation Right Contract (a “Designation Cost Overage”), Purchaser shall have the right to, by written notice to Sellers, provide a Rejection Notice with respect to such Designation Right Contract, in which case Sellers shall be liable for such Designation Cost Overage from and after the date of such Rejection Notice from Purchaser. For the avoidance of doubt, in the event Sellers are required to employ or otherwise engage any persons, or continue the employment or engagement of any persons, solely to perform obligations under a Designation Right Contract during the Designation Rights Period, the costs of any such persons shall constitute Continuation Costs. In the event Purchaser fails to promptly advance or

reimburse Sellers in respect to any Continuation Costs, Sellers shall have the right to reject, liquidate or otherwise terminated the applicable Designation Right Contract.

(b) As to each Designation Right Contract, as soon as practical after receiving further written notice(s) (each, an “Assumption Notice”) from Purchaser during the Designation Rights Period requesting assumption and assignment of any Designation Right Contract, Sellers shall, subject to Purchaser’s demonstrating adequate assurance of future performance thereunder, take all actions required by the Approval Order or otherwise that are reasonably necessary to seek to assume and assign to Purchaser pursuant to Section 365 of the Bankruptcy Code any Designation Right Contract(s) set forth in an Assumption Notice.

(c) As to each Designation Right Contract, as soon as practical after receiving further written notice(s) (each, a “Rejection Notice”) from Purchaser during the Designation Rights Period requesting rejection of any Designation Right Contract, Sellers shall take all actions required by the Approval Order or otherwise that are reasonably necessary to reject such contract pursuant to Section 365 of the Bankruptcy Code.

(d) Sellers and Purchaser agree and acknowledge that the covenants set forth in this Section 2.10 shall survive the Closing.

(e) Notwithstanding anything in this Agreement to the contrary, on the date any Designation Right Contract is assumed and assigned to Purchaser pursuant to this Section 2.10(e), such Designation Right Contract shall be deemed an Acquired Asset or Assumed Liability, as applicable, for all purposes under this Agreement and no further consideration shall be required to be paid for any Designation Right Contract that is assumed and assigned to Purchaser.

2.11 **Withholding**. Purchaser shall be entitled to deduct and withhold from the consideration or other payment otherwise payable pursuant to this Agreement to any Seller or any other Person such amounts as is required by law to deduct and withhold with respect to the making of such payment. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Person in respect of whom such deduction and withholding was made.

2.12 **Shared Costs**. Purchaser and Sellers agree to pay the costs and expenses set forth on Schedule 2.12 in accordance with Schedule 2.12.

2.13 **Allocation**. For U.S. federal and applicable state and local income Tax purposes, Purchaser, Sellers, and their respective Affiliates shall allocate the Purchase Price (and any Assumed Liabilities or other amounts treated as part of the purchase price for U.S. federal income Tax purposes) among the Acquired Assets in accordance with the Allocation (as defined below). No later than ninety (90) days following the determination of the final Purchase Price, Purchaser shall provide an allocation to Sellers setting forth the allocation of the Purchase Price (and other amounts treated as part of the purchase price for U.S. federal income Tax purposes) among the Acquired Assets in accordance with Section 1060 of the Code and Treasury regulations promulgated thereunder (the “Allocation”) to Sellers. The Parties and their respective Affiliates shall file all Tax Returns (including IRS Form 8594) in accordance with such agreed Allocation (as finally determined under this Section 2.13) and not take any position in any Tax Returns or Tax-

related Actions inconsistent with the Allocation, in each case, unless otherwise required by a “determination” within the meaning of Section 1313(a) of the Code.

### ARTICLE III CLOSING; CONDITIONS TO CLOSING

3.1 **Closing.** Subject to the terms and conditions of this Agreement, the closing (the “Closing”) of the sale and purchase of the Acquired Assets and the assumption of the Assumed Liabilities shall take place on the date that is three (3) Business Days after the date on which all of the conditions set forth in this Article III are satisfied (excluding conditions that, by their terms, are to be satisfied at the Closing, but subject to the satisfaction or waiver of all such conditions at the Closing), at a location to be specified by Sellers or remotely if agreed by Sellers and Purchaser. The time and date upon which the Closing occurs is referred to herein as the “Closing Date.” All transactions at the Closing shall be deemed to take place simultaneously and none shall be deemed to have taken place until all shall have taken place. At or prior to the Closing, Purchaser shall have delivered the Deposit in accordance with Section 2.7(a) and shall have provided Sellers with written wire instructions for payment of the Cash Payment in accordance with Section 2.6. The Closing shall be deemed to occur at 12:01am on the Closing Date (the “Effective Time”).

3.2 **Court Approval Required.** Purchaser and Sellers acknowledge and agree that the Bankruptcy Court’s entry of the Approval Order shall be required in order to consummate the Transactions, and that the requirement that the Approval Order be entered is a condition that cannot be waived by any party hereto.

3.3 **Conditions to Obligations of Purchaser.** The obligation of Purchaser to consummate the transactions contemplated by this Agreement is subject to the satisfaction, at or before the Closing, of each of the following conditions, any of which conditions may, except for the condition set forth in Section 3.2, be waived by Purchaser in its sole discretion:

(a) **Representations and Warranties.** (i) The representations and warranties of Sellers set forth in Section 4.1, Section 4.2 and Section 4.4 and Section 4.13 shall be true and correct in all respects (without giving effect to any qualifications or limitations as to materiality, including “Material Adverse Effect”) and (ii) each of the other representations and warranties of Sellers set forth in Article IV of this Agreement shall be true and correct in all material respects (except for those representations and warranties qualified by materiality, which shall be true and correct in all respects) on the date of this Agreement and on and as of the Closing Date, as though made on and as of the Closing Date (except for representations and warranties made as of a specified date, which shall be true and correct only as of the specified date).

(b) **Agreements and Covenants.** Sellers shall have performed and complied with each material agreement, covenant and obligation required to be performed or complied with by them under this Agreement at or before the Closing in all material respects.

(c) **Deliveries at Closing.** Purchaser shall have received from Sellers the closing deliverables required to be delivered by Sellers pursuant to Section 3.6.

(d) **Schedules.** The final Schedules prepared by Sellers and attached to this Agreement shall be in form and substance reasonably acceptable to Purchaser.

(e) Approval Order. The Bankruptcy Court shall have entered the Approval Order that includes customary release language for the benefit of Purchaser from Sellers (but shall not release the Sellers from any post-Closing covenants contemplated by this Agreement), which shall have become a Final Order; *provided, however*, that Closing shall occur within one (1) Business Day of entry of the Approval Order if the Approval Order contains a waiver of the fourteen (14) day stay under Federal Rule of Bankruptcy Procedure 6004, the Approval Order need not be a Final Order.

(f) Consents. All material consents, authorizations, or approvals required to be obtained from any Governmental Body set forth on Schedule 4.3 shall have been obtained and be in full force.

(g) No Material Adverse Effect. Since the date hereof, no Material Adverse Effect shall have occurred.

3.4 **Conditions to Obligations of Sellers**. The obligation of Sellers to consummate the Transactions is subject to the satisfaction, at or before the Closing, of each of the following conditions, any of which conditions may, except for the condition set forth in Section 3.2, be waived by Sellers in their sole discretion:

(a) Representations and Warranties. The representations and warranties of Purchaser set forth in Article V of this Agreement shall be true and correct in all material respects (except for those representations and warranties qualified by materiality, which shall be true and correct in all respects) on the date of this Agreement and on and as of the Closing Date, as though made on and as of the Closing Date (except for representations and warranties made as of a specified date, which shall be true and correct only as of the specified date).

(b) Agreements and Covenants. Purchaser shall have performed and complied with each agreement, covenant and obligation required to be performed or complied with by it under this Agreement at or before the Closing in all material respects.

(c) Orders. The Bankruptcy Court shall have entered the Approval Order.

(d) Payment. Purchaser shall have delivered the Deposit in accordance with Section 2.6(a) and shall have paid the Cash Payment by wire transfer of immediately available funds in accordance with Section 2.6.

(e) Deliveries at Closing. Sellers shall have received from Purchaser the closing deliverables required to be delivered by Purchaser pursuant to Section 3.6.

(f) Consents. All consents, authorizations, or approvals required to be obtained from any Governmental Body set forth on Schedule 4.3 shall have been obtained and be in full force.

3.5 **Delivery of Possession of Assets**. Right to possession of all Acquired Assets shall transfer to Purchaser at the Closing. Purchaser shall bear all risk of loss with respect to the Acquired Assets from and after the Closing.

3.6 **Closing Deliveries of the Parties.** At or prior to the Closing:

(a) Purchaser and Sellers shall execute and deliver the Bill of Sale and Assignment and Assumption Agreement, the Contract Assignment Agreement and the IP Assignment Agreement.

(b) Purchaser shall deliver, or cause to be delivered to Sellers each of the following:

(i) a certificate, dated as of the Closing Date, executed by or on behalf of Purchaser as to the satisfaction of the conditions set forth in Section 3.4(a); and

(ii) such other instruments of assumption and other instruments or documents, including bills of sale and/or assignment and assumption agreements, in form and substance reasonably acceptable to Sellers, as may be necessary to effect Purchaser's assumption of the Assumed Liabilities and the assignment of any Acquired Assets in accordance with the requirements of applicable Law and this Agreement, in each case duly executed by Purchaser.

(c) Sellers shall deliver, or cause to be delivered to Purchaser each of the following:

(i) a certificate, dated as of the Closing Date, executed by or on behalf of Sellers as to the satisfaction of the conditions set forth in Section 3.3(a);

(ii) an IRS Form W-9, duly completed and; executed by each Seller or, in the case of any Seller that is disregarded as a separate entity from its owner for U.S. federal income Tax purposes, such Seller's regarded owner for U.S. federal income Tax purposes;

(iii) a certificate of status, compliance, good standing or like respect evidencing the good standing of each Seller in its jurisdiction of organization, dated within five (5) Business Days of the Closing Date; and

(iv) such other instruments of assumption and other instruments or documents, including bills of sale and/or assignment and assumption agreements, in form and substance reasonably acceptable to Sellers, as may be necessary to effect Purchaser's assumption of the Assumed Liabilities and the assignment of any Acquired Assets in accordance with the requirements of applicable Law and this Agreement, in each case duly executed by Sellers.

**ARTICLE IV**  
**REPRESENTATIONS AND WARRANTIES OF SELLERS**

Sellers, jointly and severally, represent and warrant to Purchaser that the statements contained in this Article IV are true and correct as of the date of this Agreement and will be true and correct in all material respects on the Closing Date (except for those representations and warranties qualified by materiality, which shall be true and correct in all respects).

4.1 **Organization, Good Standing and Power.** Each Seller is duly organized, validly existing and in good standing under the laws of the state of its formation. Subject to the applicable

provisions of the Bankruptcy Code, each Seller has the power to own, lease or operate its properties and assets to carry on its Business as now being conducted and is qualified or licensed to do business and in good standing in each jurisdiction in which the nature of its Business or the ownership, leasing or operation of its properties and assets makes such qualification or licensing necessary.

**4.2 Authority Relative to this Agreement; Execution and Binding Effect.** Each Seller has full power and authority to execute and deliver this Agreement and the Ancillary Agreements and, subject to receipt of any necessary Bankruptcy Court approval in accordance with the Bankruptcy Code, to consummate the Transactions. The execution and delivery of this Agreement and the Ancillary Agreements and the consummation of the Transactions have been duly and validly approved and adopted by the members, board of directors, or board of managers, as applicable, of each Seller, and, except for Bankruptcy Court approval or as set forth on Schedule 4.2, no other proceedings or approvals on the part of any Seller are necessary to approve this Agreement and the Ancillary Agreements and to consummate the Transactions. This Agreement has been duly and validly executed and delivered by each Seller. Assuming due authorization, execution and delivery by Purchaser, this Agreement constitutes, and each of the Ancillary Agreements at the Closing will constitute, the valid and binding obligation of Sellers, enforceable against Sellers in accordance with their terms, except as such enforcement may be limited by the effect of bankruptcy, insolvency, reorganization, receivership, conservatorship, arrangement, moratorium or other laws affecting or relating to the rights of creditors generally.

**4.3 Governmental and Other Consents.** Except as otherwise set forth on Schedule 4.3, the execution and delivery of this Agreement by Sellers does not and the execution and delivery of the Ancillary Agreements by Sellers will not, and the consummation of the Transactions hereby and thereby will not (a) violate the provisions of the organizational documents of Sellers, (b) subject to the entry of the Approval Order or any other Order required by the Bankruptcy Court in connection with the Transactions, violate or conflict with any Law or Order to which Sellers, the Business and the Acquired Assets are subject, (c) require Sellers to obtain any consent, approval, authorization, waiver or license, or give any notice to, or make any filing with, any Governmental Body (except as required by the Bankruptcy Code or the Approval Order), (d) subject to the entry of the Approval Order or any other Order required by the Bankruptcy Court in connection with the Transactions, result in a breach of or constitute a default (with or without due notice or lapse of time or both), give rise to any right of termination, cancellation or acceleration under, or require the consent, approval, authorization, waiver or license of any third party to, any Assigned Contract or any Permits required for the operation of the Business as conducted or (e) subject to the entry of the Approval Order or any other Order required by the Bankruptcy Court in connection with the Transactions, result in the imposition or creation of any Lien upon or with respect to any of the assets or properties of Sellers or with respect to the Business; excluding from the foregoing clauses (b) through (e) any consents, authorizations, approvals, notices and filings the absence of which, and violations, breaches, defaults, rights of acceleration, cancellation or termination, and Liens, the existence of which would not, individually or in the aggregate, have a Material Adverse Effect.

**4.4 Title to Assets; Sufficiency of Assets.**

(a) At the Closing, Sellers will have good and valid title to, or a valid leasehold interest in, all Acquired Assets. Pursuant to the Approval Order, Sellers will convey (or cause to be conveyed) such title to or rights to use, all of the Acquired Assets to Purchaser, Free and Clear.

(b) The Acquired Assets, together with this Agreement and the Ancillary Agreements, are sufficient for, and shall constitute all of the assets, properties, rights, privileges, and interests of whatever kind or nature, real, personal, or mixed, tangible, or intangible used to allow Purchaser to operate and conduct the Business as of immediately following the Closing in substantially the same manner as presently conducted without violating any Law, Order, or contractual, legal, title, property, or other right of any other Person.

(c) No Seller owns any real property related to the Business.

#### 4.5 **Intellectual Property; IT Systems.**

(a) Schedule 4.5(a) sets forth an accurate list of: (i) each item of Registered IP forming a part of the Assigned IP (“Registered Assigned IP”) (and, for each such item, identifies the jurisdiction in which such item of Registered IP has been registered or filed and the applicable registration or serial number; and (ii) each item of Assigned IP (other than Registered IP) that is material to the operation of the Business as currently conducted, including any unregistered Trademarks and any Software for which there is no registered (or pending application to register) Copyrights (and, for each such item, identifies any other Person that has an ownership interest in such item of Assigned IP and the nature of such ownership interest). To the Knowledge of Sellers, all Registered Assigned IP is valid, subsisting and enforceable, and no interference, opposition, reissue, reexamination or other Proceeding is or has been pending or threatened, in which the scope, validity or enforceability of any Assigned IP is being, has been or could reasonably be expected to be contested or challenged. To the Knowledge of Sellers, there is no basis for a claim that any Assigned IP is invalid or unenforceable.

(b) To the Knowledge of Sellers, Sellers own, or have a valid and enforceable license to use, each item of Intellectual Property that is used in or necessary to the operation of the Business as currently conducted. To the Knowledge of Sellers, Sellers exclusively own all right, title and interest to and in the Assigned IP.

#### 4.6 **Compliance with Laws; Permits.**

(a) To the Knowledge of Sellers, Sellers are, and since the date that is three (3) years prior to the date hereof have been, in compliance with all applicable Laws in connection with the operation of the Business and Sellers have not received any written notice in the past three (3) years of any violations or liability pursuant to any Law applicable to its operation of the Business.

(b) To the Knowledge of Sellers, since the date that is three (3) years prior to the date hereof, (i) Sellers have obtained, maintained and complied with all necessary Permits with regard to the ownership or operation of the Acquired Assets and Sellers maintained such Permits in accordance with applicable Law, (ii) none of Sellers have received written notice of material default under any such Permit, and (iii) no material violations exist in respect of such Permits, except for such non-compliance and such facts, conditions, or circumstances, the subject of which have been finally resolved prior to the date hereof.

(c) Schedule 4.6(c) sets forth a true and correct list of all material Permits associated with the ownership or operation of the Acquired Assets.

#### 4.7 **Data Privacy and Protection.**

(a) To the Knowledge of Sellers, Sellers and, with respect to the processing of Sellers' data, their data processors comply and have complied in all material respects with Data Protection Requirements except as disclosed on Schedule 4.7(a). Sellers have in place Contracts with all data processors to ensure that the data processor maintains the confidentiality and security of Sellers' data and complies in all material respects with Data Protection Requirements.

(b) To the Knowledge of Sellers, Sellers and their data processors have not suffered and are not suffering a Security Incident, have not been and are not required to notify any Person of any Security Incident, and have not been and are not adversely affected by any malicious code, ransomware or malware attacks, or denial-of-service attacks on any IT systems. Sellers have not received a written notice (including any enforcement notice or legal proceeding), letter, or complaint from a Person alleging noncompliance or potential noncompliance with any Data Protection Requirements. Sellers maintain, and has maintained, cyber liability insurance with reasonable coverage limits.

#### 4.8 **Financial Statements.**

(a) Copies of the following financial statements are attached to Schedule 4.8: the unaudited, internally-prepared fiscal year balance sheet of Sellers as of December 31, 2024 (the "Balance Sheet Date"), and the related statements of income, changes in stockholders' equity, and cash flows for the calendar year then ended (the "Annual Financial Statement"), and the unaudited, internally-prepared balance sheet of Sellers as of July 31, 2025, and the related unaudited, internally-prepared statements of income, and cash flows for the months then ended (the "Interim Financial Statements" and, together with the Annual Financial Statement, the "Financial Statements"). The Financial Statements have been prepared in accordance with GAAP and fairly present in all material respects the financial position, and results of operations, changes in stockholders' equity, and cash flows of Sellers as of the dates and for the periods indicated, subject, in the case of the Interim Financial Statements only, to the absence of footnote disclosure, statement of cash flows and any customary year-end adjustments, which are not material in the aggregate. The Financial Statements were derived from the books and records of Sellers, which are accurate and complete in all material respects.

(b) To the Knowledge of Sellers, the accounts receivable of the Business, (i) except for intercompany claims, have arisen out of actual sales with unaffiliated third parties in the ordinary course of business consistent with past practice, (ii) are free and clear of all defenses and claims of any nature whatsoever other than claims for warranties and claims made in the ordinary course of business that are not material in the aggregate, (iii) net of any allowances for doubtful accounts and reserves for discounts, returns, damages, shortages, short pays and promotions, set forth on the Financial Statements were stated therein in accordance with GAAP applied on a consistent basis throughout the periods indicated and present fairly, in all material respects, the consolidated accounts receivable of Business as of the respective dates thereof, and (iv) are collectible in the ordinary course of business consistent with past practice, net of reserves.

(c) The Inventory of the Business is of a good and merchantable quality, usable and saleable in the ordinary course of business consistent with past practice, subject to any ordinary

defects, and are in a normal quantity reasonable for the operations of the Business as currently conducted.

(d) To the Knowledge of Sellers, the accounts payable and accrued liabilities of the Business, (i) except for intercompany claims, have arisen in the ordinary course of business consistent with past practice (ii) set forth on the Financial Statements were stated therein in accordance with GAAP applied on a consistent basis throughout the periods indicated and present fairly, in all material respects, the consolidated accounts receivable of Business as of the respective dates thereof, and (iii) are payable in the ordinary course of business consistent with past practice.

#### 4.9 **Material Contracts.**

(a) Sellers have made available to Purchaser accurate and complete copies of all of the written Contracts, all amendments, modifications, or supplements thereto, in their possession (and written summaries of any oral Contracts) to which any Seller is a party, each of which is identified in Schedule 4.9(a) (collectively, the “Material Contracts”).

(b) Subject to entry of the Approval Order and payment of all Cure Amounts, each Material Contract that is an Assigned Contract is in full force and effect, is fully assignable without the consent of any Person, except as set forth on Schedule 4.9(b), and is valid, binding and enforceable in accordance with its terms as to Sellers and, to the knowledge of Sellers, the other parties to the Material Contract.

(c) The Cure Amount Schedule is true and correct as to the cure amounts necessary to satisfy the requirements of Section 365 of the Bankruptcy Code.

#### 4.10 **Employment.**

(a) With respect to the employees listed on Schedule 4.10(a), Sellers have made available to Purchaser a true and complete list of such employees (i) the dates of hire and the rates of base pay or base salary for each such employee as of the date hereof, (ii) rate of all bonus or any other cash compensation, (iii) location of service, (iv) full or part-time status (or partially retired), (v) exempt or non-exempt status under the Fair Labor Standards Act, (vi) job title or position, (vii) employment status (active or leave, but not the reason for the leave, and, if applicable, the expected return date), (viii) annual paid time off accrual, (ix) type and duration of work visa (if applicable), and (x) any benefits other than those generally provided to all such employees.

(b) Except as set forth on Schedule 4.10(b), none of Sellers is a party to or bound by any collective bargaining agreement or other agreement with a labor union or like organization, and, to the knowledge of Sellers, there are no activities or proceedings by any individual or group of individuals, including representatives of any labor organizations or labor unions, to organize any employees of any Seller. There is no pending, and, to the knowledge of Sellers, there has not been any threatened, strike, lockout, slowdown, work stoppage, unfair labor practice or other material labor dispute, or arbitration or grievance that may interfere with the business activities of any Seller. Each Seller is, and within the past three (3) years has been, in material compliance with all applicable Laws respecting labor, employment and employment

practices, terms and conditions of employment, wages and hours and occupational safety and health.

(c) As of the Petition Date, no Seller (i) is delinquent in any payments and or liable for any arrears to any Transferred Employees, as may be applicable, for any wages, salaries, commissions, incentive pay, bonuses, or other compensation, or any Taxes or any penalty for failure to comply with withholding or reporting all amounts required by Law or by Contract to be withheld and reported with respect to wages, salaries, and other payments to its employees and non-employee workers, and (ii) has any liability for any payment to any trust or other fund governed by or maintained by or on behalf of any Governmental Body with respect to unemployment compensation benefits, social security or other benefits or obligations for any Transferred Employees (other than routine payments to be made in the normal course of business and consistent with past practice).

4.11 **Litigation**. Except for the Chapter 11 Cases, and any Actions or contested motions commenced in connection therewith or otherwise disclosed in Schedule 4.11, there is no Action or Order pending, outstanding or threatened by any Actions, relating to the Acquired Assets or Assumed Liabilities (a) that is material to the Acquired Assets or that would reasonably be expected to give rise to any material Liability of Purchaser or be adverse to the ownership or use by Purchaser of the Acquired Assets after the Closing, as such Acquired Assets are presently owned and used (or held for use) by Sellers, (b) that would challenge the validity or enforceability of the obligations of any of Sellers under this Agreement and the other Ancillary Agreements to which such Person is or will be a party or (c) that is against any of Sellers and seeks to prevent, restrain, materially delay, prohibit or otherwise challenge the consummation, legality or validity, or alter the terms, of the Transactions. There is no Order enjoining any of Sellers from engaging in or continuing any conduct or practice, or requiring such Seller to take any material action, in connection with the ownership, lease, possession, use or operation of the Acquired Assets owned or held by such Persons, and none of Sellers are subject to any outstanding Order relating to the Acquired Assets or Assumed Liabilities other than, in each case, Orders of general applicability.

4.12 **Absence of Certain Changes**. Since the Balance Sheet Date, except for the filing of the Chapter 11 Cases, the Acquired Assets have been maintained and operated in the ordinary course of business and consistent in all material respects with past practices and there has not been any event, change, circumstance, condition, state of facts, occurrence, development or effect that has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Between the Balance Sheet Date and the date hereof, (a) none of Sellers have granted any powers of attorney that affect the Acquired Assets and (b) there has not been, with respect to the Business, any forward selling of products or services or acceleration of customer orders or acceleration of soliciting renewals or collecting on renewals, any deferral in paying payables, any discounts to customers or extension of payment terms, intended to increase the current income and cash collection by accelerating revenue that would otherwise be collected after the Closing Date, which acceleration or deferral is inconsistent with past practices prior to the Balance Sheet Date.

4.13 **Brokers or Finders**. Except for fees and expenses payable to Lincoln International LLC, no Sellers have incurred any obligation or Liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payments in connection with this

Agreement, the other Ancillary Agreements, or the Transactions contemplated hereby or thereby for which Purchaser is or will become liable.

4.14 **Customers and Suppliers.** Schedule 4.14 sets forth the (a) top 20 customers, (b) top 10 suppliers of the Business, and (c) annual sales volumes of the top 10 customers (in each case determined on the basis of revenues from or payments to any such Person for the fiscal year ended December 31, 2024). With respect to each such customer, such customer has not terminated, materially decreased (whether or not permitted by the applicable Contract) or has indicated (whether in writing or orally) its intent to terminate or not renew, in each case, its relationship with Sellers with respect to the Business.

## ARTICLE V REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to Sellers that the statements contained in this Article V are true and correct as of the date of this Agreement and will be true and correct in all material respects on the Closing Date (except for those representations and warranties qualified by materiality, which shall be true and correct in all respects).

5.1 **Organization, Good Standing and Power.** Purchaser is validly existing and in good standing under the laws of the state of its formation. Purchaser has the power to own its properties and carry on its business as now being conducted and is qualified or licensed to do business in each jurisdiction in which the nature of its business or the ownership or leasing of its properties makes such qualification or licensing necessary.

5.2 **Authority Relative to this Agreement; Execution and Binding Effect.** Purchaser has full power and authority to execute and deliver this Agreement and the Ancillary Agreements and to consummate the Transactions. The execution and delivery of this Agreement and the Ancillary Agreements and the consummation of the Transactions have been duly and validly approved and adopted by all necessary action of Purchaser and no other proceedings or approvals (shareholder, member or otherwise) on the part of Purchaser are necessary to approve this Agreement and the Ancillary Agreements and to consummate the Transactions. This Agreement has been duly and validly executed and delivered by Purchaser. Assuming due authorization, execution and delivery by Sellers, this Agreement constitutes, and each of the Ancillary Agreements at the Closing will constitute, the valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with their terms.

5.3 **Governmental and Other Consents.** No consent, notice, authorization or approval of, or exemption by, or filing with or notifications to any Governmental Body or any other Person, whether pursuant to contract or otherwise, is required in connection with the execution and delivery by Purchaser of this Agreement and the Ancillary Agreements and the consummation of the Transactions.

5.4 **Financing.** Purchaser has secured all necessary financing and commitments to fulfill its obligations under this Agreement, including all required approvals from lenders and financial institutions to ensure that Purchaser has the financial capacity to consummate the Transactions. As of the date hereof, (i) Purchaser is not in default under any credit, financing or

similar agreement to which it is a party, and (ii) there are currently no active discussions by Purchaser's governing body or any steps taken by its governing body or its employees or agents regarding the commencement of any bankruptcy or similar insolvency proceeding.

5.5 **No Conflicts.** The execution, delivery, and performance of this Agreement by Purchaser do not and will not conflict with, or result in any violation of, or default under, any provision of any agreement, instrument, or obligation to which the Purchaser is a party or by which it is bound.

5.6 **No Other Representations and Warranties.** Except for the representations and warranties contained in this Article V, Purchaser does not, nor does any other Persons on behalf of Purchaser, make any other express or implied representations or warranties, including with respect to any other information provided to Sellers or their representatives, and Purchaser disclaims any other representations or warranties, whether made by or on behalf of Purchaser or any other Person.

## ARTICLE VI COVENANTS

6.1 **Operation of Business.** Except (i) as set forth on Schedule 6.1, (ii) with the prior written consent of Purchaser (which consent will not be unreasonably withheld, delayed or conditioned), (iii) as is otherwise expressly contemplated by this Agreement, (iv) for any changes of operations as a result of the commencement and continuation of the Bankruptcy Case or otherwise imposed by the Bankruptcy Court or the Bankruptcy Code, (v) as is required by applicable Laws, from the date hereof through the earlier of the Closing Date or the termination of this Agreement in accordance with its terms:

(a) Sellers shall not (i) sell, lease, license, abandon, convey, transfer, assign or otherwise dispose to any Person, in a single transaction or series of related transactions, any of the Acquired Assets, other than sales in the ordinary course of the Business, (ii) effect any sale (whether by merger, consolidation, acquisition of stock or assets or otherwise) of the Business, (iii) (A) terminate the employment of any Transferred Employee of any Seller (excluding terminations for "cause" or (B) increase or change the compensation of any Transferred Employee or (iv) (A) change any customer pricing or offer any discounts, promotions or refunds to customers of the Business (except with respect to Excluded Inventory), other than in the ordinary course of business consistent with past practice or (B) accelerate the collection or receipt of, or cancel or discount, any Accounts Receivable, in each case, outside of the ordinary course of business consistent with past practice;

(b) Sellers shall use their commercially reasonable efforts to (i) maintain and operate the Acquired Assets in a manner consistent with past practice, (ii) maintain the books, accounts and records relating to the Acquired Assets and Assumed Liabilities in accordance with past custom and practice in all material respects, (iii) preserve intact, in all material respects, the business organizations and relationships with third parties of the Acquired Assets and keep available the services of the employees, consultants and agents of the Business in connection with the services such persons provided in respect of the Acquired Assets in the ordinary course of business consistent with past practice, and (iv) comply, in all material respects, with all applicable Laws and Orders applicable to the Acquired Assets and Acquired Liabilities; and

(c) Notwithstanding anything to the contrary, nothing contained in this Agreement shall give Purchaser or any of its Affiliates, directly or indirectly, any right to control or direct the Business, assets and operations prior to the Closing. Prior to the Closing, Sellers shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision over its Business, assets and operations.

(d) Notwithstanding anything to the contrary, and for the avoidance of doubt, Sellers shall have no obligation to purchase Inventory or accept in-transit Inventory on or after the Petition Date notwithstanding any Seller's past practice of purchasing Inventory.

6.2 **Efforts to Consummate.** Except as otherwise provided in this Agreement, each of the Parties agrees to use its commercially reasonable efforts to cause the Closing to occur as soon as promptly as practicable, including satisfying the conditions precedent set forth in Article III applicable to such Party including executing any additional instruments reasonably requested by the other Party (without cost or expense to the executing Party) necessary to carry out the Transactions and to fully carry out the purposes of this Agreement; *provided, however*, that, for purposes of the "commercially reasonable efforts" standard as required by this Section 6.2 or Section 6.3, any Party nor its Affiliates or representatives shall be required to offer or grant any accommodation or concession (financial or otherwise) to any third party, to waive or surrender any right, to modify any agreement (including any Assigned Contract) or to provide financing to Purchaser for the consummation of the Transactions.

6.3 **Notices and Consents.** Reasonably promptly following the execution of this Agreement, Sellers will give, or cause to be given, applicable notices to third parties and thereafter will use its commercially reasonable efforts (as limited by Section 6.2) to obtain the third-party consents set forth on Schedule 6.3; *provided, however*, that no representation, warranty, or covenant of Sellers shall be breached or deemed breached as a result of (a) the failure to obtain any such third-party consent, provided Sellers are otherwise in compliance with the terms of this Section 6.3, (b) any termination of a Contract as a result of the failure to obtain such third-party consent or (c) any Action commenced or threatened by or on behalf of any Person arising out of or relating to the failure to obtain any such consent or any such termination.

6.4 **Public Announcements.** Between the date of this Agreement and the Closing Date, except to the extent required by any applicable Law or Action, neither Purchaser nor Sellers shall, and Purchaser and Sellers shall cause their respective Affiliates and representatives not to, directly or indirectly, issue any press release or public announcement of any kind without the prior written consent of Purchaser and Sellers; *provided, however*, that each Party and its Affiliates may make announcements from time to time to their respective employees, customers, suppliers and other business relations and otherwise as such Party may reasonably determine is necessary to comply with applicable Law or the requirements of this Agreement, any other agreement to which such Party or any such Affiliate is a party or any securities exchange on which the securities of such Party or any such Affiliate are listed. Purchaser and Sellers shall cooperate in good faith to prepare a joint press release to be issued on the Closing Date, the terms of which shall be mutually agreed upon by the Parties.

6.5 **Bankruptcy Court Matters.**

(a) Bidding Procedures and Orders. The purchase and sale of the Acquired Assets will be subject to competitive bidding in accordance with (and only in accordance with) the terms of the order entered by the Bankruptcy Court approving the sale and bidding procedures, substantially in the form attached hereto as Exhibit D (the “Bidding Procedures Order”).

(b) Milestones. Sellers shall comply with the following timeline (the “Bankruptcy Court Milestones”), subject to further extension only with the prior written consent from Purchaser:

(i) On the Petition Date, Sellers shall file a motion seeking Bankruptcy Court approval of the Bidding Procedures Order, which shall contain this Agreement and which shall seek approval of the Break-Up Fee and Expense Reimbursement;

(ii) the Bankruptcy Court shall have entered the Bidding Procedures Order no later than 18 days following the Petition Date; and

(iii) the Bankruptcy Court shall have entered the Approval Order no later than 40 days following the Petition Date.

(c) Advance Notice. Sellers shall keep Purchaser reasonably apprised of the status of material matters related to this Agreement, including, upon reasonable request promptly furnishing the other with copies of notices or other communications received from the Bankruptcy Court, the Office of the United States Trustee, or any other third party with respect to the Transactions contemplated by this Agreement. Sellers shall use commercially reasonable efforts to give Purchaser reasonable advance notice of any hearings regarding the motions required to obtain the issuance of the Bidding Procedures Order and the Final Order. Furthermore, Sellers will give Purchaser reasonable advance notice and proposed drafts of all pleadings, motions, Orders, and notices related to, or could reasonably have an impact on, this Agreement or the Transactions prior to the Closing Date and will provide Purchaser and its counsel with a reasonable opportunity to review such documents prior to filing with the Bankruptcy Court, unless such advance notice is impossible or impracticable under the circumstances, in which case Sellers will deliver copies of such documents substantially simultaneously with the filing with the Bankruptcy Court.

#### 6.6 Approval Order.

(a) Prior to the Closing, and subject to the provisions of this Agreement, Purchaser and Sellers shall use their commercially reasonable efforts to obtain entry of an Order or Orders by the Bankruptcy Court pursuant to Sections 363 and 365 of the Bankruptcy Code, substantially in the form attached hereto as Exhibit E (the “Approval Order”), which shall approve of this Agreement and the Transactions, and which shall contain the following provisions in terms reasonably acceptable to the Parties hereto (it being understood that certain of such provisions may be contained in either the findings of fact or conclusions of law to be made by the Bankruptcy Court as part of the Approval Order):

(i) that Sellers may sell, transfer and assign the Acquired Assets and assume and assign the Assigned Contracts to Purchaser pursuant to this Agreement and Bankruptcy Code Sections 105, 363 and 365, as applicable (including a finding of adequate assurance of future performance by Purchaser of the Assigned Contracts);

(ii) the transfers of the Acquired Assets by Sellers to Purchaser (A) vest or will vest Purchaser with all right, title and interest of Sellers in and to the Acquired Assets, Free and Clear, and (B) constitute transfers for reasonably equivalent value and fair consideration under the Bankruptcy Code and the laws of the State of Delaware;

(iii) the transactions contemplated by this Agreement are undertaken by Purchaser and Sellers at arm's length, without collusion and in good faith within the meaning of Section 363(m) of the Bankruptcy Code, and such Parties hereto are entitled to the protections of Section 363(m) of the Bankruptcy Code and the Transaction is entitled to the protections of Section 363(n) of the Bankruptcy Code;

(iv) a determination that selling the Acquired Assets Free and Clear is in the best interest of Sellers' Estates;

(v) that Purchaser shall not assume or have any Liability for any Excluded Liabilities;

(vi) Purchaser has the right to assume or reject any Designation Right Contract during the Designation Rights Period in accordance with, and subject to the terms of, Section 2.10 herein; and

(vii) a finding that (A) due, proper, timely, adequate and sufficient notice of the Approval Order, this Agreement, the Assigned Contracts, and the Transactions have been provided to all parties in interest (including any parties with any potential interest in the Intellectual Property and counterparties to the Assigned Contracts); (B) such notice was and is good, sufficient and appropriate under the circumstances and reasonably calculated to reach and apprise all holders of liens, claims, encumbrances and other interests, including rights or claims based on any successor, transferee, derivative or vicarious liabilities of their right to appear and be heard, and was provided in accordance with the applicable requirements of the Bankruptcy Code, the Bankruptcy Rules, and other applicable Laws; and (C) no other or further notice of the Approval Order, this Agreement, the Assigned Contracts, or the Transactions is necessary or shall be required.

(b) If the Approval Order or any other Orders of the Bankruptcy Court relating to this Agreement shall be appealed by any person (or a petition for certiorari or motion for rehearing or reargument shall be filed with respect thereto), each party hereto agrees to use commercially reasonable efforts to obtain an expedited resolution of such appeal; *provided, however*, that nothing herein shall preclude the Parties hereto from consummating the Transactions if the Approval Order shall have been entered and has not been stayed in which event Purchaser shall be able to assert the benefits of Section 363(m) of the Bankruptcy Code; *provided further* that notwithstanding the foregoing, in the event of an appeal, Purchaser may consummate the Transactions only in its discretion.

#### **6.7 Access to Facilities, Personnel, and Information.**

(a) Prior to the Closing, Sellers shall permit representatives of Purchaser to have reasonable access during regular business hours and upon reasonable notice, in a manner that does not interfere with the normal business operations of Sellers, to all premises, property, books,

records (including Tax records), Contracts, documents and other information primarily related to the Business, the Acquired Assets and Assumed Liabilities. Such access shall be subject to the confidentiality obligations under the Confidentiality Agreement. Sellers will make the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer and the Chief Sales and Marketing Officer available on a weekly basis to meet with designated representatives of Purchaser to discuss matters primarily related to the Business, the Acquired Assets, and the Assumed Liabilities, including the reports delivered pursuant to Section 6.7(b).

(b) Beginning on the date hereof and from time to time thereafter (but in any event no less frequently than every week), Sellers shall deliver a report to Purchaser that sets forth (i) variances in the DIP Budget, (ii) inventory ledgers by SKU and location, (iii) sales performance of the Business by SKU, including any variances from the CIM, and (iv) any changes in employee population from the date hereof.

(c) From the Closing Date through and including the second anniversary of the Closing Date, Purchaser shall retain the books and records transferred to Purchaser pursuant to this Agreement and shall grant Sellers, the Trustee, and their respective representatives reasonable access to the books and records transferred to Purchaser pursuant to this Agreement during regular business hours and upon reasonable notice for the purpose of allowing Sellers or their successors, the Trustee or their respective representatives to perform the duties necessary for the liquidation of the Debtors' Estates. To the extent reasonably required by Sellers, Purchaser shall make one or more of the Transferred Employees available to Sellers to assist in each Seller's wind-down of their Estates *provided* that such access does not unreasonably interfere with the conduct of the Business by Purchaser. In the event Purchaser becomes aware that it has received any attorney-client or otherwise privileged information from Sellers as set forth in Section 2.2(n), Purchaser shall maintain the confidentiality of such information and immediately delete and destroy it.

**6.8 Further Assurances.** Purchaser and Sellers shall use commercially reasonable efforts to take such further actions and execute such other documents as may be reasonably required to fulfill the conditions to Closing and, after Closing, to fully effect the transactions contemplated by this Agreement and the Ancillary Agreements and further secure to each party hereto the rights intended to be conferred hereby and thereby; *provided, however*, that nothing in this Section 6.8 shall prohibit Sellers from ceasing operations or winding up its affairs following the Closing. Purchaser shall use commercially reasonable efforts to cooperate with Sellers and provide Sellers with information reasonably sufficient to enable Sellers to demonstrate adequate assurance of future performance (as required by Section 365 of the Bankruptcy Code) as to Purchaser.

**6.9 Employee Matters.**

(a) Purchaser or one of its Affiliates shall have the option to make offers of employment to each employee of each Seller who is listed on Schedule 6.9 (the "Retained Employees"), effective as of the Closing, subject to each such employee's satisfaction of Purchaser's standard onboarding requirements, including, without limitation, immigration control requirements and the right to require successful completion of customary employee background checks and drug testing prior to offering employment to any such employee (such employees who receive and accept Purchaser's or its Affiliate's offer of employment and actually commence employment with Purchaser or one of its Affiliates following the Closing, the "Transferred

Employees”). Sellers hereby consent to Purchaser or its Affiliate making offers of employment to, and hiring, any such employee and Sellers shall not take any action that could interfere with the hiring or engaging of any such employee by Purchaser and its Affiliate. Sellers shall terminate the employment of all Transferred Employees as of immediately prior to the Closing and reasonably assist Purchaser in effecting the change of employment of the Transferred Employees as of the Closing in an orderly fashion. Purchaser’s obligations under this Agreement are not conditioned upon any particular employees agreeing to employment with Purchaser.

(b) The Transferred Employees shall cease active participation in each Employee Benefit Plan on or following the Closing Date pursuant to the terms of the applicable Employee Benefit Plan. Sellers shall fully vest each Transferred Employee in all of their benefits under any Employee Benefit Plan that are subject to a vesting schedule or are otherwise subject to a risk of forfeiture and shall pay to each Transferred Employee any accrued time off amounts in respect of any time off as of the Closing Date. Sellers shall retain all assets and bear the expense of any responsibility for all Liabilities relating to Transferred Employees (and Purchaser and its Affiliates shall not bear the expense of any responsibility for any Liabilities relating to Transferred Employees) arising from (i) claims for benefits under the Employee Benefit Plans, (ii) any Transferred Employee’s (or any other service provider’s) entitlement to severance or other termination payments under any Employee Benefit Plan (or otherwise), and (iii) claims for workers’ compensation benefits or occupational health claims (which, solely with respect to Transferred Employees, that are incurred on or prior the Closing Date). Sellers shall take all action necessary to provide that each Transferred Employee who elects to take a distribution of his or her account balance under an Employee Benefit Plan that includes a cash or deferred arrangement under Section 401(k) of the Code may, if applicable, elect for such distribution to include any outstanding loan notes. Upon request, Sellers shall present evidence to Purchaser in a form reasonably satisfactory to Purchaser of Sellers’ compliance with the requirements of this Section 6.9(b). Nothing in this Agreement shall result in Purchaser or its Affiliates assuming any Liability or obligation under or in relation to Title IV of ERISA or on account of any violation of COBRA or under any Employee Benefit Plan or any other employee benefit plan of Sellers or any of its Affiliates, including all withholding and employment Taxes and other costs related to such plans (collectively, “Affiliated Plan Liabilities”). Sellers shall retain and shall satisfy as and when due, and shall hold Purchaser and its Affiliates harmless from and against, all Affiliated Plan Liabilities, regardless of when any such Affiliated Plan Liabilities arise, are incurred or are disclosed. For purposes of the foregoing, Affiliated Plan Liabilities includes liabilities relating to workers’ compensation claims of Transferred Employees that arise out of events occurring on or prior to the Closing Date.

(c) With respect to each employee benefit plan, program, policy and arrangement maintained by Purchaser or its Affiliates in which the Transferred Employees participate on or after the Closing Date (the “Purchaser Plans”), Purchaser shall, and shall cause its Affiliates to, use commercially reasonable efforts to (i) recognize the service of Transferred Employees prior to the Closing Date as service with Purchaser and its Affiliates for purposes of any waiting period, vesting, eligibility and level of benefits under Purchaser Plans (*provided* that Purchaser is not required to count such service of the Transferred Employees prior to the Closing Date in calculating the amount of that employee’s benefit under Purchaser’s plan or policy), (ii) waive, or cause its insurance carriers to waive, all limitations as to pre-existing conditions, if any, with respect to participation and coverage requirements applicable to Transferred Employees

under Purchaser Plans that are health and welfare benefit plans that provide healthcare and disability benefits in which such Transferred Employees are eligible to participate to the same extent that such conditions and waiting periods were waived or previously satisfied under the comparable Employee Benefit Plan immediately prior to the Closing Date and (iii) subject to Sellers providing Purchaser with the applicable information with respect to each Transferred Employee in a form that Purchaser determines is administratively feasible to take into account under a Purchaser Plan, cause Purchaser Plans that are medical and pharmacy benefit plans (but excluding healthcare flexible spending accounts and dental and vision benefits) to provide credit to Transferred Employees for any co-payments, deductibles and out-of-pocket expenses paid by such employees (to the same extent such credit was given for the year under a similar Employee Benefit Plan in effect immediately prior to the Closing Date) during the portion of the relevant plan year including the Closing Date in satisfying any applicable deductible or out-of-pocket requirements for the plan year in which the Closing Date falls; provided, however, that the foregoing shall not apply to the extent it would result in a duplication of benefits with respect to any Transferred Employee.

(d) Nothing in this Agreement shall constitute any commitment, Contract or understanding (expressed or implied) of any obligation on the part of Purchaser to a post-Closing employment relationship of any fixed term or duration or upon any terms or conditions other than those that Purchaser may establish pursuant to individual offers of employment. Nothing in this Agreement shall be deemed to prevent or restrict in any way the right of Purchaser to terminate, reassign, promote or demote any of the Transferred Employees after the Closing or to change adversely or favorably the title, powers, duties, responsibilities, functions, locations, salaries, future benefits, other compensation or terms or conditions of Purchaser's employment of such employees.

(e) If any of the arrangements described in this Section 6.9 are determined by any Governmental Body to be prohibited by applicable Law, Purchaser, Sellers shall modify such arrangements to as closely as possible reflect their expressed intent and retain the allocation of economic benefits and burdens to the Parties hereto contemplated herein in a manner that is not prohibited by applicable Law.

(f) Sellers shall be responsible for all liabilities or obligations under the WARN Act arising out of actions or omissions occurring prior to, on, or following the Closing Date with respect to or involving all employees of Sellers, except that Purchaser and its Affiliates shall be responsible for all liabilities or obligations under the WARN Act resulting from any "employment loss" (as defined in the WARN Act) occurring after the Closing solely with respect to or involving the Transferred Employees only.

(g) Notwithstanding anything in this Section 6.9 to the contrary, nothing contained herein, whether express or implied, shall (i) be treated as an amendment or other modification of any Employee Benefit Plan or employee benefit plan maintained by Purchaser or any of its Affiliates, or shall limit the right of Sellers, Purchaser or any of their respective Affiliates to amend, terminate or otherwise modify any Employee Benefit Plan or employee benefit plan maintained by Purchaser or any of its Affiliates following the Closing Date or (ii) create any rights in any Person who is not a party to this Agreement. If (i) a party other than the Parties hereto makes a claim or takes other action to enforce any provision in this Agreement as an amendment to any

Employee Benefit Plan or employee benefit plan maintained by Purchaser or any of its Affiliates, and (ii) such provision is deemed to be an amendment to such Employee Benefit Plan or employee benefit plan maintained by Purchaser or any of its Affiliates even though not explicitly designated as such in this Agreement, then, solely with respect to the Employee Benefit Plan or employee benefit plan maintained by Purchaser or any of its Affiliates at issue, such provision shall lapse retroactively and shall have no amendatory effect with respect thereto.

(h) During the period commencing on the date of this Agreement and ending on the Closing Date, Purchaser shall not, without the Sellers' prior written consent, directly or indirectly, hire any employee of Sellers or its Affiliates located in Brazil. Notwithstanding the foregoing, Purchasers shall not be prohibited from engaging in discussions with any such employees, *provided* that Purchaser shall keep Sellers reasonably informed as to the time, manner and subject matter of such discussions.

#### 6.10 **Tax Matters.**

(a) It is the intention of the Purchaser and the Sellers that the Transactions be exempt from all transfer, documentary, sales, use, excise, stock transfer, value-added, stamp, recording, registration and other similar taxes, levies and fees (including any penalties, fines and interest), together with any conveyance fees, recording charges and other similar fees and charges, incurred in connection with this Agreement and the Transactions (collectively, "Transfer Taxes") pursuant to Section 1146(a) of the Bankruptcy Code. Purchaser and the Sellers shall cooperate in good faith to minimize, to the extent permissible under applicable Law, the amount of any Transfer Taxes due with respect to the Transactions. Solely to the extent not exempt in accordance with Section 1146(a) of the Bankruptcy Code, the Final Order or any available exemption under state or local applicable Tax law, Purchaser shall be responsible for such Transfer Taxes; *provided*, that Sellers shall obtain such exemption in the Final Order.

(b) Each Party shall, and shall cause its Affiliates to, reasonably cooperate with and provide to the other Party and its Affiliates such documentation, information and assistance as may reasonably be requested in connection with (i) the preparation of any Tax Return relating to the Acquired Assets and Assumed Liabilities (ii) the determination of liability for Taxes pursuant to this Agreement or (iii) the conduct of any Tax Proceeding relating to the Acquired Assets and the Assumed Liabilities.

(c) For purposes of this Agreement, with respect to any Straddle Period, (A) in the case of Taxes that are imposed on a periodic basis (such as property Taxes), the amount of such Taxes allocable to the Pre-Closing Tax Period shall be determined by multiplying the total amount of such Taxes for the entire Straddle Period by a fraction, the numerator of which is the number of calendar days during the Straddle Period that are in the Pre-Closing Tax Period and the denominator of which is the total number of calendar days in the entire Straddle Period, and (B) in the case of Taxes not described in clause (A), the amount of such Taxes allocable to the Pre-Closing Tax Period shall be computed as if such Tax period ended as of the end of the day on the final day of the Pre-Closing Tax Period, *provided* that exemptions, allowances or deductions that are calculated on an annual basis (including depreciation and amortization deductions) shall be allocated between the Pre-Closing Tax Period and the remainder of the Straddle Period in proportion to the number of days in each period.

(d) Purchaser hereby waives compliance by Sellers in all respects with respect to any applicable bulk sale, bulk transfer, successor liability and similar Laws, or with any Laws triggered by a bulk sale or transfer of property, of any jurisdiction in connection with the transactions contemplated by this Agreement or similar Laws of any jurisdiction in connection with the transactions contemplated under this Agreement; *provided*, that the Final Order waives compliance by Sellers in all respects with respect to any such Laws. If the Final Order does not waive compliance by Sellers in all respects with respect to any such Laws, Sellers shall notify all of the Governmental Body in the jurisdictions that impose Taxes on any Seller or where any Seller has a duty to file Tax Returns of the Transactions in the form and manner required by such Governmental Body, if the failure to make such notifications or receive any available tax clearance certificate could subject Purchaser to any Taxes of any Seller. If any Government Entity asserts that any Seller is liable for any Tax that relates to any Pre-Closing Tax Period, Sellers shall promptly pay any and all such amounts and shall provide evidence to Purchaser that such liabilities have been paid in full or otherwise satisfied.

6.11 **Insurance Access.** Following the Closing, with respect to any actions, inactions, events, omissions, conditions, facts, circumstances, losses, damages, and other Liabilities which occurred or are alleged to have occurred, or were incurred, in whole or in part, or claimed to have been incurred, with respect to the Acquired Assets or the Assumed Liabilities, in each case, prior to the Closing, Sellers will provide (or cause their Affiliates to provide) Purchaser with access to (including by taking commercially reasonable actions as may be necessary to direct any relevant insurer to permit such access or to access as an additional insured party), and Purchaser may, upon prior written notice to Sellers, make claims under the current and historical non-transferable Insurance Policies; *provided, however*, that such access to, and the right to make claims under, such Insurance Policies, shall be subject to the terms and conditions of such insurance policies, including any restrictions on coverage or scope, any deductibles, retentions, or self-insurance provision, and any fees, costs, or other expenses, and shall be subject to the following additional conditions:

(a) Purchaser shall report any potentially insured pre-Closing Date claim to Sellers, as promptly as practicable and in any event in sufficient time so that such claim may be made in accordance with Sellers' claim reporting procedures in effect immediately prior to the Closing;

(b) Premiums and premium increases, fees and expenses incurred by Sellers or any of their Subsidiaries to the extent resulting from any access to, or any claims made by Purchaser or any of its Affiliates under, any Insurance Policy, including any reasonable legal fees and allocated claims, expenses or claim handling fees, whether such claims are made by Purchaser or its Representatives, will, in each case, be promptly reimbursed to Sellers by Purchaser;

(c) Any recovery under any Insurance Policy shall be net of all uninsured, uncovered, unavailable or uncollectible amounts of all such claims made by Purchaser under the Insurance Policies (including any deductible, retention or other similar amounts);

(d) Claims made by Purchaser pursuant to this Section 6.11 will be subject to (and recovery thereon will be reduced by the amount of) any applicable deductibles, retentions, or self-insurance provisions under the Insurance Policies. With respect to any deductibles, retentions or self-insurance provisions described in the immediately preceding sentence that require a

payment by Sellers or any of their Subsidiaries, Purchaser shall reimburse Sellers or such Subsidiary for such payment. In the event that Purchaser submits any claim under an Insurance Policy resulting in coverage payable in part to Sellers or any of their Subsidiaries, such Person's reimbursement obligations to Sellers under this Section 6.11 shall apply only with respect to those amounts attributable to the portion of coverage payable to Purchaser or any of its Affiliates. It is understood that Purchaser will not have access to or coverage under that portion of any non-transferable insurance policy retained by Sellers or any of their Subsidiaries that is not "occurrence based"; and

(e) Without limiting Purchaser's right to make claims directly against the Insurance Policies, in no event shall any Seller be required to provide Purchaser access under this Section 6.11 after such entity's Chapter 11 Cases have been closed.

#### 6.12 **Post-Closing Receipt and Possession of Assets.**

(a) After the Closing Date, Sellers shall transfer promptly to Purchaser from time to time (but in any event no less frequently than every two days) any payments constituting Acquired Assets, including any cash received due to the sale of inventory pursuant to Section 6.13, received by Sellers. After the Closing Date, Purchaser shall transfer promptly to Sellers, from time to time (but in any event no less frequently than on a weekly basis), any payments constituting Excluded Assets received by Purchaser after the Closing.

(b) In the event that, after the Closing Date, Purchaser receives or otherwise is in possession of any other Excluded Asset, Purchaser shall promptly notify Sellers of its receipt or possession of such other Excluded Asset and transfer, if so requested by Sellers, at Sellers' expense, such Excluded Asset to Sellers. In the event that, after the Closing Date, Sellers receive or otherwise are in possession of any other Acquired Asset, Sellers shall promptly notify Purchaser of its receipt or possession of such other Acquired Asset and transfer, at Sellers' expense, such Acquired Asset to Purchaser.

6.13 **Transition Services.** The Sellers shall, and shall use reasonable best efforts to cause the administrator for the Estate to, provide access to the Purchaser to any Excluded Assets for purposes of operating the Business post-Closing. The Purchaser shall use reasonable best to provide access to the Sellers to any Acquiring Assets for purposes of winding down the Estate.

6.14 **Weekly Certification by Purchaser.** Purchaser shall deliver to Sellers email confirmation on a weekly basis, from the date hereof until the Closing Date, certifying Section 5.4 remains true and correct and that there have been no changes to its funding commitments that would affect its ability to consummate the Transactions.

### ARTICLE VII TERMINATION; EFFECT OF TERMINATION

7.1 **Termination.** This Agreement may, prior to or at the Closing, be terminated as follows:

(a) by mutual written consent of Purchaser and Sellers;

(b) by Sellers, by written notice to Purchaser, or by Purchaser, by written notice to Sellers, in the event the Closing has not occurred on or before the Outside Date; *provided, however*, that the Party exercising the right to terminate this Agreement pursuant to this Section 7.1(b) shall not be permitted to terminate this Agreement if such Party's breach of this Agreement has been the principal cause of the Parties failing to consummate the Closing on or before the Outside Date;

(c) by Sellers, by written notice to Purchaser, or by Purchaser, by written notice to Sellers, if either, to the extent in accordance with the Bidding Procedures Order, Sellers accept a competing bid for the purchase of all or substantially all of the Acquired Assets to a Person other than Purchaser (an "Alternative Transaction") and Purchaser is not serving as the Next-Highest Bidder;

(d) by Purchaser, by written notice to Sellers, if either: (i) Sellers' Chapter 11 Case is dismissed or converted to one under Chapter 7 of the Bankruptcy Code, (ii) Sellers move for appointment of an examiner with expanded powers pursuant to Section 1104 of the Bankruptcy Code or a trustee in the Chapter 11 Case (or such examiner or trustee is otherwise appointed prior to the Closing); (iii) Purchaser is not selected as the highest or otherwise best bid for any asset included in the Acquired Assets and is not serving as the Next-Highest Bidder; (iv) any of the Bankruptcy Court Milestones are not met; (v) the Approval Order is appealed, and such appeal is not withdrawn, dismissed or finally resolved in favor of Sellers, or otherwise resolved in a manner satisfactory to Purchaser within three (3) Business Days following the initiation of such appeal or (vi) the Bidding Procedures Order or the Approval Order is modified in any material respect without the consent of Purchaser;

(e) by Sellers, by written notice to Purchaser, if there has been a breach or inaccuracy of a covenant, representation or warranty made by Purchaser in this Agreement, and such breach or inaccuracy would result in a failure of any of the conditions in Section 3.4 to be satisfied and which breach is incapable of being cured or, if capable of being cured, has not been cured by Purchaser prior to the earlier of (i) five (5) days after receipt of written notice from Sellers requesting such material breach, material failure to perform or material inaccuracy be cured or (ii) the Outside Date; *provided, however*, that the right to terminate this Agreement pursuant to this Section 7.1(e) shall not be available to Sellers if any Seller is in material breach of this Agreement;

(f) by Purchaser, by written notice from Purchaser to Sellers, if there has been a breach or inaccuracy of a covenant, representation or warranty made by Sellers in this Agreement, and such breach or inaccuracy would result in a failure of any of the conditions in Section 3.3 to be satisfied and which breach is incapable of being cured or, if capable of being cured, has not been cured by Sellers prior to the earlier of (i) five (5) days after receipt of written notice from Purchaser requesting such material breach, material failure to perform, or material inaccuracy be cured, or (ii) the Outside Date; *provided, however*, that the right to terminate this Agreement pursuant to this Section 7.1(f) shall not be available to Purchaser if Purchaser is in material breach of this Agreement;

(g) by Sellers, by written notice to Purchaser, or by Purchaser, by written notice to Sellers, if any court of competent jurisdiction or other competent Governmental Body shall have enacted or issued a Law or decree or taken any other action permanently restraining, enjoining, or

otherwise prohibiting the Transaction and such Law or decree or other action shall have become final and non-appealable; *provided, however*, that the right to terminate this Agreement under this Section 7.1(g) shall not be available to a Party if the failure to consummate the Closing because of such action by a Governmental Body shall be due to the failure of such Party to have fulfilled any of its obligations under this Agreement; and

(h) automatically upon the consummation of an Alternative Transaction.

## 7.2 Effect of Termination.

(a) If this Agreement is validly terminated pursuant to Section 7.1, all further obligations of the Parties under this Agreement or any Ancillary Agreement shall terminate and have no further force and effect and neither Party shall have any Liability (except as set forth in this Section 7.2); *provided, however* that that nothing in this Section 7.2 shall relieve any Party from Liability for any breach of this Agreement occurring prior to any such termination; *provided, further*, that no provisions in this Agreement shall prohibit either Party from seeking an injunction or injunctions, specific performance or other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof.

(b) In consideration for Purchaser's expenditure of considerable time and expense in connection with this Agreement and the Ancillary Agreements and the negotiation hereof and thereof, Sellers shall, in accordance with the terms hereof and the Bidding Procedures Order, file with and seek approval of the Bankruptcy Court to pay to Purchaser a break-up fee in an amount equal to Seven-Hundred Thousand Dollars (\$700,000.00) (the "Break-Up Fee") and all actual documented fees and expenses incurred in connection with this Agreement up to Five-Hundred Thousand Dollars (\$500,000.00) (the "Expense Reimbursement"). Sellers shall (a) subject to approval by the Bankruptcy Court of the Bid Protections, pay to Purchaser the Bid Protections no later than the first Business Day after this Agreement is terminated in accordance with Sections 7.1(b), 7.1(c), 7.1(d), 7.1(f), 7.1(g) and 7.1(h) and (ii) return the Deposit to Purchaser no later than the first Business Day after this Agreement is terminated in accordance with Sections 7.1(a), 7.1(b), 7.1(c), 7.1(d), 7.1(f), 7.1(g) and 7.1(h).

(c) Any obligation to pay the Expense Reimbursement or the Break-Up Fee hereunder shall be absolute and unconditional only to the extent approved by the Bankruptcy Court and in no event shall Sellers be obligated to make such payments if Purchaser has materially breached this Agreement or to the extent any such payments are not approved by the Bankruptcy Court; any such payments shall constitute allowed superpriority administrative claims under sections 503(b) and 507(a)(2) of the Bankruptcy Code and shall be payable as specified herein, and not subject to any defense, claim, counterclaim, offset, recoupment, or reduction of any kind whatsoever; *provided* that the Break-Up Fee shall be payable solely upon the closing and from the proceeds of any Alternative Transaction. Sellers hereby acknowledge and agree that (i) the right of Purchaser to receive payment of the Expense Reimbursement as set forth in Section 7.2 or the Break-Up Fee as set forth in Section 7.2 is necessary and essential to induce Purchaser to execute and deliver this Agreement and to enter into the transactions contemplated hereby, and that Purchaser would not have done so without receiving such right, and (ii) the obligation of Sellers to pay the Expense Reimbursement to Purchaser as set forth in Section 7.2 or the Break-Up Fee as set forth in Section 7.2 was negotiated at arms'-length and in good faith and is (x) designed to

maximize the value of the estate of the Debtors, (y) fair, reasonable and appropriate, and (z) in the best interests of Sellers, the Debtors and the Debtor's estate and the Debtor's and the Debtor's estate's, creditors, interest holders, stakeholders, and all other parties in interest.

7.3 **Competing Bids.** To the extent set forth in the Bidding Procedures, Purchaser and Sellers acknowledge that Sellers may receive competing bids for the Acquired Assets, including in connection with an auction of the Acquired Assets. Nothing in this Agreement, or any Ancillary Agreement, will require any Seller or any of their respective managers, officers or members, in each case, in their capacity as such, to consummate the Transactions with Purchaser or otherwise take any action, or to refrain from taking any action, to the extent inconsistent with their fiduciary obligations, applicable Law or the Bidding Procedures.

## ARTICLE VIII GENERAL PROVISIONS

8.1 **"As Is", "Where Is", and "With all Faults" Transaction.** PURCHASER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS EXPRESSLY PROVIDED IN ARTICLE IV, SELLERS MAKE NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO ANY MATTER RELATING TO THE ACQUIRED ASSETS. PURCHASER ACKNOWLEDGES THAT PURCHASER HAS CONDUCTED AN INDEPENDENT INSPECTION AND INVESTIGATION OF THE PHYSICAL CONDITION OF ALL ACQUIRED ASSETS AND ALL SUCH OTHER MATTERS RELATING TO OR AFFECTING THE ACQUIRED ASSETS AS PURCHASER DEEMS NECESSARY OR APPROPRIATE AND THAT IN PROCEEDING WITH THE CONSUMMATION OF THE TRANSACTIONS, EXCEPT FOR ANY REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH IN ARTICLE IV, PURCHASER IS DOING SO BASED SOLELY UPON SUCH INDEPENDENT INSPECTIONS AND INVESTIGATIONS. ACCORDINGLY, PURCHASER WILL ACCEPT THE ACQUIRED ASSETS AT THE CLOSING "AS IS," "WHERE IS," AND "WITH ALL FAULTS."

8.2 **Transaction Expenses.** Except as expressly provided for herein, each Party hereto shall pay all fees, costs and expenses incurred by it with respect to this Agreement, whether or not the transactions contemplated by this Agreement are consummated.

### 8.3 **Certain Interpretive Matters and Definitions.**

(a) Unless otherwise expressly provided, for purposes of this Agreement and the Ancillary Agreements, the following rules of interpretation shall apply:

(i) **Calculation of Time Period.** All references to a day or days shall be deemed to refer to a calendar day or days, as applicable, unless otherwise specifically provided. When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded.

(ii) **Dollars.** Any reference to \$ shall mean U.S. dollars, which is the currency used for all purposes in this Agreement and the Ancillary Agreements.

(iii) Exhibits/Schedules. The Exhibits and Schedules to this Agreement are an integral part of this Agreement. All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any matter or item disclosed on one Schedule shall be deemed to have been disclosed on each other Schedule to the extent that the relevance of such disclosure to such other Schedule is reasonably apparent on its face to a reader of such disclosure. Disclosure of any item on any Schedule shall not constitute an admission or indication that any such item is required to be disclosed, or that such item or matter is material or has resulted in or will result in a Material Adverse Effect or that the included items or actions are not in the ordinary course of business. No disclosure on a Schedule relating to a possible breach or violation of any contract, Law or Order shall be construed as an admission or indication that a breach or violation exists or has actually occurred. Any capitalized terms used in any Schedule or Exhibit but not otherwise defined therein shall be defined as set forth in this Agreement.

(iv) Gender and Number. Any reference to gender shall include all genders, and words imparting the singular number only shall include the plural and vice versa.

(v) Herein. The words such as “herein,” “hereinafter,” “hereof” and “hereunder” that are used in this Agreement refer to this Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires. Uses of such words in the Ancillary Agreement shall refer to such Ancillary Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires.

(vi) Or. The word “or” shall be construed in the inclusive sense of “and/or” unless otherwise specified.

(vii) Including. The word “including,” or any variation thereof, means (unless the context of its usage otherwise requires) “including, without limitation” and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it.

(viii) Successors. A reference to any Party to this Agreement, any Ancillary Agreement or any other agreement or document shall include such Party’s successors and permitted assigns.

(ix) Laws. A reference to laws or legislation are references to such laws and legislation as they may be amended or supplemented from time to time, and references to laws and legislation include references to any succeeding law, modification or re-enactment thereof, any legislative provision substituted therefor, and to the implementing rules or regulations promulgated pursuant thereto.

(x) Reflected On or Set Forth In. An item arising with respect to a specific representation or warranty shall be deemed to be “reflected on” or “set forth in” a balance sheet or financial statements, to the extent any such phrase appears in such representation or warranty, if (A) there is a specific reserve, accrual or other similar item underlying a number on such balance sheet or financial statements that relates to the subject matter of such representation,

(B) such item is otherwise specifically set forth on such balance sheet or financial statements or  
 (C) such item is set forth in the notes to such financial statements.

(xi) Made Available. Any reference in this Agreement to “made available” means only a document or other item of information that was (A) provided, delivered or made available to Purchaser and its representatives in any “data rooms,” or “virtual data rooms,” and to which Purchaser and its representatives have access, or (B) publicly filed and available on the SEC database, in each case of clauses (A) and (B), as of 5:00 p.m. (Eastern Time) on the date that is one (1) day prior to the date hereof.

(b) All representations and warranties set forth in this Agreement or the Ancillary Agreements are contractual in nature only and subject to the sole and exclusive remedies set forth herein, except as otherwise set forth herein. The phrase “to its knowledge” and phrases of similar import or effect are used herein to qualify and limit the scope of any representation or warranty in which they appear and are not affirmations of any Person’s “superior knowledge” that the representation or warranty in which they are used is true.

(c) The Parties have participated jointly in the negotiation and drafting of this Agreement and the Ancillary Agreements and, in the event an ambiguity or question of intent or interpretation arises, this Agreement and the Ancillary Agreements shall be construed as jointly drafted by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement and the Ancillary Agreements. The Parties agree that changes from earlier drafts to the final version of this Agreement do not necessarily imply that the Party agreeing to such change is agreeing to a change in meaning (as the Party agreeing to such change may believe the change is stylistic and non-substantive); consequently, no presumption should exist by virtue of a change from a prior draft.

8.4 **Survival; Termination of Representations and Warranties**. Except in the case of Fraud, the representations and warranties of the Parties hereto set forth in this Agreement shall terminate upon, and be of no further force or effect after, the consummation of the Closing. The Parties hereto agree that the covenants contained in this Agreement to be performed at or after the Closing shall survive the Closing hereunder for such period expressly set forth in this Agreement, or if not expressly set forth for a period no greater than three (3) months after the Closing Date.

8.5 **Amendment**. This Agreement may be amended or modified in whole or in part at any time by an agreement in writing among the Parties.

8.6 **Waiver**. The waiver by a Party of a breach of any covenant, agreement, condition or undertaking contained herein shall be made only by a written waiver making specific reference to this Agreement executed by the Party against whom enforcement of any such waiver is sought. No waiver of any breach of any covenant, agreement, condition or undertaking contained herein shall operate as a waiver of any prior or subsequent breach of the same covenant, agreement, condition or undertaking or as a waiver of any breach of any other covenant, agreement, condition or undertaking.

8.7 **Notices**. All notices, requests and other communications hereunder will be deemed to have been duly given (a) if delivered personally, on the date of delivery, (b) if by an established

overnight delivery company, or by certified or registered mail, postage prepaid, return receipt requested, on the Business Day following the date of delivery to such delivery company or postal service and (c) if delivered by electronic mail, on the date of transmission, if sent on a Business Day before 5:00 p.m. local time of the address of the recipient party (otherwise the next succeeding Business Day), in each case to the addresses or email addresses as follows:

If to Sellers:

Walker Edison Furniture Company  
Attn: Nate Brown  
1553 West 9000 South  
West Jordan, Utah 84088  
e-mail: nate.brown@walkeredison.com

with a copy to:

Morris, Nichols, Arsht & Tunnell LLP  
Attn Robert J. Dehney, Sr.  
R. Jason Russell  
Daniel Butz  
1201 N. Market St.  
Suite 1600  
Wilmington, DE 19801  
Email: rdehney@morrisnichols.com  
jrussell@morrisnichols.com  
dbutz@morrisnichols.com

If to Purchaser:

Twin Star International, Inc.  
750 Park of Commerce Blvd #400,  
Boca Raton, FL 33487  
Attn: Todd Outten, President  
e-mail: toutten@twinstarhome.com

with a copy to:

Sidley Austin LLP  
Attn: Vijay Sekhon  
Stephen E. Hessler  
Patrick Venter  
555 California Street  
Suite 2000  
San Francisco, CA 94104  
Email: vsekhon@sidley.com  
shessler@sidley.com  
pventer@sidley.com

or to such other address as may hereafter be designated by a party hereto by the giving of notice in accordance with this Section 8.7. All notices, requests or other communications shall be deemed given when actually delivered if delivered personally or by an established overnight delivery company or upon actual receipt if delivered by certified or registered mail, postage prepaid, return receipt requested.

8.8 **Jurisdiction**. Without limiting any Party's right to appeal any order of the Bankruptcy Court, (a) the Parties hereto agree that the Bankruptcy Court shall retain exclusive jurisdiction to resolve any controversy or claim arising out of or relating to this Agreement or the implementation or breach hereof and (b) any and all proceedings related to the foregoing shall be filed and maintained only in the Bankruptcy Court, and the Parties hereby consent to and submit to the jurisdiction and venue of the Bankruptcy Court and each Party hereby irrevocably agrees that all Related Claims may be heard and determined in such courts. To the extent the Bankruptcy Court declines, or is otherwise unable to, exercise jurisdiction, including if the Bankruptcy Petitions are closed pursuant to Section 350 of the Bankruptcy Code, then the Parties agree that the state or federal courts in the County of New Castle, State of Delaware (the foregoing courts, including the Bankruptcy Court, the "Chosen Courts"), shall have jurisdiction. The Parties hereby (x) irrevocably and unconditionally waive, to the fullest extent permitted by applicable Law, any objection which they may now or hereafter have to the laying of venue of any such Related Claim brought in the Chosen Courts or any defense of inconvenient forum for the maintenance of such dispute, and (y) agree not to bring any Action arising out of, relating to, or in connection with this Agreement, the Ancillary Agreements, or any Action predicated on or based on a Related Claim, in any court other than a Chosen Court. Each of the Parties agree that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law.

8.9 **Waiver of Jury Trial**. EACH PARTY HERETO ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT, THE ANCILLARY AGREEMENTS OR ANY RELATED CLAIMS IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY EXPRESSLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY PROCEEDING OR RELATED CLAIM BROUGHT BY OR AGAINST IT, DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE ANCILLARY AGREEMENTS OR ANY RELATED CLAIMS.

8.10 **Governing Law**. To the extent not governed by the mandatory provisions of the Bankruptcy Code, this Agreement and all Related Claims shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to rules governing the conflict of law principles.

8.11 **Damages**. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, NO PARTY HERETO SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, EXEMPLARY, SPECIAL, INDIRECT OR PUNITIVE DAMAGES (INCLUDING LOST PROFITS, LOSS OF PRODUCTION OR OTHER DAMAGES ATTRIBUTABLE TO BUSINESS INTERRUPTION) ARISING UNDER OR IN CONNECTION WITH THIS

AGREEMENT; *PROVIDED*, THAT THE LIMITATIONS IN THIS SENTENCE SHALL NOT APPLY TO LIABILITIES ARISING AS A RESULT OF THIRD PARTY CLAIMS.

8.12 **Time is of the Essence.** Time is of the essence in this Agreement, and all of the terms, covenants and conditions hereof.

8.13 **Severability.** If any provision of this Agreement shall be held invalid, illegal or unenforceable, in whole or in part, the validity, legality, and enforceability of the remaining part of such provision, and the validity, legality and enforceability of all other provisions hereof or thereof, shall not be affected thereby. No Party shall assert, and each Party shall cause its respective Affiliates not to assert, that this Agreement or any Ancillary Agreement or any part hereof or thereof is invalid, illegal or unenforceable.

8.14 **Titles and Headings.** Titles and headings of sections of this Agreement are for convenience of reference only and shall not affect the construction of any provision of this Agreement.

8.15 **Assignment; Successors and Assigns.** This Agreement and the rights, duties and obligations hereunder may not be assigned by any party hereto without the prior written consent of the other party hereto, and any attempted assignment without consent shall be void. Subject to this Section 8.15, this Agreement and the provisions hereof shall be binding upon each of the Parties hereto, their successors and permitted assigns. Notwithstanding the forgoing, prior to the Closing, Purchaser may assign this Agreement, or any of portion thereof, or any of its rights under this Agreement (a) to one or more of its Affiliates, including to designate one or more Affiliates to purchase the Acquired Assets and assume the Assumed Liabilities and (b) in making a collateral assignment to any debt financing source of Purchaser or its Affiliates for security purposes; *provided* that such assignment shall not release Purchaser from any obligations or other Liabilities hereunder.

8.16 **No Third-Party Rights.** The Parties hereto do not intend to confer any benefit hereunder on any Person other than the Parties hereto.

8.17 **Confidentiality Agreement.** The Parties hereto acknowledge that the Confidentiality Agreement dated as of June 24, 2025, between Z Capital Partners, L.L.C. and Sellers (the “Confidentiality Agreement”) shall remain in full force and effect until the Closing; provided that Section 3 of the Confidentiality Agreement shall have no further effect with regards to employees of Walker Edison Brasil Servicos Unipossol LTDA, a company organized under the laws of Brazil, as of the date hereof. .

8.18 **Entire Agreement.** This Agreement, the Ancillary Agreements and the Confidentiality Agreement constitute the entire agreement between the Parties hereto regarding the subject matter hereof and supersede all prior contemporaneous agreements, arrangements, Contracts, discussions, negotiations, undertakings and understandings (including any letters of intent or term sheets, whether written or oral, between the Parties with respect to such subject matter or any prior course of dealings). No extrinsic evidence whatsoever may be introduced in any proceeding involving this Agreement, the Ancillary Agreements or the Confidentiality Agreement. The Parties each hereby acknowledge that this Agreement, the Ancillary Agreements and the

Confidentiality Agreement embody the justifiable expectations of sophisticated parties derived from arm's-length negotiations, and all parties to this Agreement, the Ancillary Agreements and the Confidentiality Agreement specifically acknowledge that no party has any special relationship with another party that would justify any expectation beyond that of an ordinary purchaser and an ordinary seller in an arm's-length transaction.

8.19 **Execution of this Agreement.** This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by electronic transmission shall constitute effective execution and delivery of this Agreement as to the Parties hereto and may be used in lieu of the original Agreement for all purposes. Signatures of the Parties hereto transmitted by electronic transmission shall be deemed to be their original signatures for all purposes.

8.20 **Release.** Effective as of immediately prior to the Closing, Sellers for itself and each of their Affiliates and each of their respective equityholders, successors and assigns, fully and unconditionally releases, acquits and forever discharges Purchaser from any and all manner of actions, causes of actions, claims obligations, demands, damages, costs, expenses, compensation or other relief, whether known or unknown, whether in law or equity, of any kind, Sellers now have or have ever had against Purchaser. Notwithstanding the foregoing, the release and discharge provided for in this Agreement shall not release Purchaser of their respective obligations or liabilities pursuant to this Agreement, the Ancillary Agreements or the Confidentiality Agreement.

*(Signatures appear on following page)*

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized officers to execute this Agreement as of the day and year first written above.

**SELLERS:**

**WALKER EDISON HOLDCO LLC**

DocuSigned by:  
By: Jeff Werner  
Name: Jeffrey R. Werner  
Title: Chief Executive Officer

**WALKER EDISON INTERMEDIATE, LLC**

DocuSigned by:  
By: Jeff Werner  
Name: Jeffrey R. Werner  
Title: Chief Executive Officer

**WALKER EDISON FURNITURE COMPANY LLC**

DocuSigned by:  
By: Jeff Werner  
Name: Jeffrey R. Werner  
Title: Chief Executive Officer

**EW FURNITURE LLC**

DocuSigned by:  
By: Jeff Werner  
Name: Jeffrey R. Werner  
Title: Chief Executive Officer

**PURCHASER:**

**TWIN STAR INTERNATIONAL, INC.**

Signed by:  
By:  \_\_\_\_\_  
2D5D7DEB279F4AA...

Name: Todd Outen

Title: President and Chief Commercial Officer

**EXHIBIT A**

**Bill of Sale and Assignment and Assumption Agreement**

## **BILL OF SALE AND ASSIGNMENT AND ASSUMPTION AGREEMENT**

This **BILL OF SALE AND ASSIGNMENT AND ASSUMPTION AGREEMENT**, dated as of [●], 2025 (this “Bill of Sale”), is entered into by and among Walker Edison Holdco LLC, a Delaware limited liability company, Walker Edison Intermediate, LLC, a Delaware limited liability company, Walker Edison Furniture Company LLC, a Utah limited liability company, and EW Furniture, LLC, a Utah limited liability company (collectively, “Sellers”), and Twin Star International, Inc., a Florida corporation (“Purchaser”). Sellers and Purchaser are sometimes herein referred to collectively as the “Parties” and individually as a “Party.”

**WHEREAS**, the Parties entered into that certain Asset Purchase Agreement dated as of August 28, 2025 (as amended, the “Asset Purchase Agreement”) providing for, among other things, the sale by the Sellers of certain specified assets relating to the business of the Sellers and certain of the liabilities of the Sellers to Purchaser, as further described in the Asset Purchase Agreement for consideration in the amount and upon the terms provided in the Asset Purchase Agreement; and

**WHEREAS**, by this instrument Sellers are vesting in Purchaser all of the properties, assets, rights, liabilities and obligations of Sellers hereinafter described.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements contained herein and in the Asset Purchase Agreement, and other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound, hereby agree as follows:

1. **Sale and Transfer of Acquired Assets.** For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and pursuant to, and subject to the terms and conditions of, the Asset Purchase Agreement, effective as of the Closing, Sellers hereby sell, assign, transfer, convey and deliver to Purchaser, and Purchaser hereby purchases, acquires and accepts from Sellers, all of Sellers’ right, title and interest in or to the Acquired Assets (other than (i) the Intellectual Property and (ii) the Assigned Contracts). For the avoidance of doubt, the Sellers are not selling, assigning, transferring, conveying or delivering to Purchaser any of the Excluded Assets.

2. **Assumption of Assumed Liabilities.** For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and subject to the terms and conditions set forth in the Asset Purchase Agreement, effective as of the Closing, Purchaser hereby assumes and agrees to pay, perform and discharge in accordance with their respective terms, subject to all defenses or counterclaims with respect thereto, the Assumed Liabilities of Sellers (other than any Assumed Liabilities associated with the Intellectual Property or Assigned Contracts). For the avoidance of doubt, Purchaser is not assuming in any manner and shall not be liable or responsible for any of the Excluded Liabilities.

3. **Terms of the Asset Purchase Agreement.** Capitalized terms used but not defined herein shall have the meanings given to such terms in the Asset Purchase Agreement. This Bill of Sale is entered into pursuant to, and subject to all of the terms and conditions of, the Asset Purchase

Agreement. Nothing contained in this Bill of Sale shall be deemed to supersede, enlarge on or modify any of the obligations, agreements, covenants or warranties of any Seller or Purchaser contained in the Asset Purchase Agreement. In the event of any conflict or inconsistency between this Bill of Sale and the Asset Purchase Agreement, the terms of the Asset Purchase Agreement shall prevail.

4. **Miscellaneous.** Sections 8.5 (Amendment), 8.6 (Waiver), 8.7 (Notices), 8.8 (Jurisdiction), 8.9 (Waiver of Jury Trial), 8.10 (Governing Law), 8.11 (Damages), 8.13 (Severability), 8.14 (Titles and Headings), 8.15 (Assignment; Successors and Assigns); 8.16 (No Third-Party Rights) 8.18 (Entire Agreement) and 8.19 (Execution of this Agreement) of the Asset Purchase Agreement shall apply *mutatis mutandis* to this Bill of Sale.

*(Signatures appear on following page)*

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized officers to execute this Bill of Sale as of the day and year first written above.

**SELLERS:**

**WALKER EDISON HOLDCO LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**WALKER EDISON INTERMEDIATE, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**WALKER EDISON FURNITURE COMPANY  
LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EW FURNITURE, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**PURCHASER:**

**TWIN STAR INTERNATIONAL, INC.**

By:\_\_\_\_\_

Name: Todd Outen

Title: President and Chief Commercial Officer

**EXHIBIT B**

**Contract Assignment Agreement**

## CONTRACT ASSIGNMENT AGREEMENT

This **CONTRACT ASSIGNMENT AGREEMENT**, dated as of [●], 2025 (this “Assignment”), is entered into by and among Walker Edison Holdco LLC, a Delaware limited liability company, Walker Edison Intermediate, LLC, a Delaware limited liability company, Walker Edison Furniture Company LLC, a Utah limited liability company, and EW Furniture, LLC, a Utah limited liability company (collectively, “Sellers”), and Twin Star International, Inc., a Florida corporation (“Purchaser”). Sellers and Purchaser are sometimes herein referred to collectively as the “Parties” and individually as a “Party.”

**WHEREAS**, the Parties entered into that certain Asset Purchase Agreement dated as of August 28, 2025 (as amended, the “Asset Purchase Agreement”) providing for, among other things, the sale by the Sellers of certain specified assets relating to the business of the Sellers and certain of the liabilities of the Sellers to Purchaser, as further described in the Asset Purchase Agreement for consideration in the amount and upon the terms provided in the Asset Purchase Agreement; and

**WHEREAS**, by this instrument Sellers are vesting in Purchaser all of the properties, assets, rights, liabilities and obligations of Sellers hereinafter described.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements contained herein and in the Asset Purchase Agreement, and other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound, hereby agree as follows:

1. **Assignment**. Pursuant to, and subject to the terms and conditions of, the Asset Purchase Agreement, effective as of the Closing, Sellers hereby sell, transfer, assign, convey and deliver to Purchaser, and Purchaser hereby accepts the sale, transfer, assignment, conveyance and delivery of, all of Sellers’ right, title and interest in and to the Assigned Contracts set forth on Schedule 1.
2. **Assumption**. Pursuant to, and subject to the terms and conditions of, the Asset Purchase Agreement, effective as of the Closing, Purchaser hereby assumes and agrees to pay, perform and discharge in accordance with their respective terms, and subject to all defenses or counterclaims with respect thereto, the Assumed Liabilities of Sellers associated with the Assigned Contracts set forth on Schedule 1.
3. **Terms of the Asset Purchase Agreement**. Capitalized terms used but not defined herein shall have the meanings given to such terms in the Asset Purchase Agreement. This Assignment is entered into pursuant to, and subject to all of the terms and conditions of, the Asset Purchase Agreement. Nothing contained in this Assignment shall be deemed to supersede, enlarge on or modify any of the obligations, agreements, covenants or warranties of any Seller or Purchaser contained in the Asset Purchase Agreement. In the event of any conflict or inconsistency between this Assignment and the Asset Purchase Agreement, the terms of the Asset Purchase Agreement shall prevail.

4. **Miscellaneous.** Sections 8.5 (Amendment), 8.6 (Waiver), 8.7 (Notices), 8.8 (Jurisdiction), 8.9 (Waiver of Jury Trial), 8.10 (Governing Law), 8.11 (Damages), 8.13 (Severability), 8.14 (Titles and Headings), 8.15 (Assignment; Successors and Assigns); 8.16 (No Third-Party Rights) 8.18 (Entire Agreement) and 8.19 (Execution of this Agreement) of the Asset Purchase Agreement shall apply *mutatis mutandis* to this Assignment.

*(Signatures appear on following page)*

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized officers to execute this Assignment as of the day and year first written above.

**SELLERS:**

**WALKER EDISON HOLDCO LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**WALKER EDISON INTERMEDIATE, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**WALKER EDISON FURNITURE COMPANY  
LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EW FURNITURE, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**PURCHASER:**

**TWIN STAR INTERNATIONAL, INC.**

By:\_\_\_\_\_

Name: Todd Outen

Title: President and Chief Commercial Officer

**Schedule 1**

**Assigned Contracts**

*(See attached)*

**EXHIBIT C**

**IP Assignment Agreement**

## INTELLECTUAL PROPERTY ASSIGNMENT AGREEMENT

This **INTELLECTUAL PROPERTY ASSIGNMENT AGREEMENT**, dated as of [●], 2025 (such date, the “Effective Date”, and such agreement, this “Intellectual Property Assignment”), is entered into by and among by and among Walker Edison Holdco LLC, a Delaware limited liability company, Walker Edison Intermediate, LLC, a Delaware limited liability company, Walker Edison Furniture Company LLC, a Utah limited liability company, and EW Furniture, LLC, a Utah limited liability company (each individually, an “Assignor”, and collectively, “Assignors”), and Twin Star International, Inc., a Florida corporation (“Assignee”). Assignors and Assignee are sometimes herein referred to collectively as the “Parties” and individually as a “Party.”

**WHEREAS**, the Parties entered into that certain Asset Purchase Agreement dated as of August 28, 2025 (as amended, the “Asset Purchase Agreement”) providing for, among other things, the sale by Assignors of certain specified assets relating to the business of Assignors and certain of the liabilities of Assignors to Assignee, as further described in the Asset Purchase Agreement for consideration in the amount and upon the terms provided in the Asset Purchase Agreement; and

**WHEREAS**, Assignors own the Intellectual Property, which includes the (a) issued patents and patent applications, (b) trademark and service mark registrations and applications, (c) copyright registrations and applications and (d) registered Internet domain names, in each case, set forth on Schedule 1 hereto; and

**WHEREAS**, pursuant to the Asset Purchase Agreement, Assignors desire to assign, transfer, convey and deliver to Assignee, and Assignee wish to acquire from Assignors, all of Assignors' right, title and interest in, to and under the Intellectual Property and all goodwill associated therewith or symbolized thereby.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements contained herein and in the Asset Purchase Agreement, and other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound, hereby agree as follows:

1. **Assignment.** As of the Effective Date, Assignors hereby irrevocably sell, transfer, assign, convey and deliver to Assignee, and Assignee hereby accepts the sale, transfer, assignment, conveyance and delivery of, all right, title and interest in and to the Intellectual Property, together with all right, title and interest in and to (a) all goodwill of the business associated with or symbolized by the trademarks and service marks included in the Intellectual Property, (b) all common law rights in, and all rights derived from, the Intellectual Property and all issuances and registrations that may be granted thereon, (c) any past, present or future claims or causes of action (either in law or in equity) arising out of or related to any infringement, misappropriation, dilution or other violation of any of the Intellectual Property, and the right to sue for damages, injunctive relief, lost profits in connection therewith or any other remedy or otherwise recover therefor, (d) any and all income, royalties, damages and payments now or hereafter due and/or payable with respect to the Intellectual Property and the right to receive such

income, royalties and payments, the right to prosecute, maintain and defend the Intellectual Property, (f) the right to claim priority based on the Intellectual Property and (g) the right to fully and entirely stand in the place of Assignors in all matters related thereto, the same to be held and enjoyed by Assignee for its own use and enjoyment and the use and enjoyment of its successors and assigns as fully and entirely as the same would have been held and enjoyed by Assignors if this assignment had not been made. The assignments contemplated herein are meant to be an absolute assignment and not by way of security.

2. **Further Assurances.** As may be necessary, each Assignor shall use reasonable best efforts to (i) execute, acknowledge and deliver such other instruments, documents and agreements and (ii) do such other things, in each case, as may be reasonably necessary, proper or advisable to carry out its obligations under this Intellectual Property Assignment and as may be reasonably necessary, proper or advisable to more completely effectuate, consummate, record, perfect or confirm the transactions contemplated hereby. Each Assignor further agrees to assist Assignee in changing the technical and administrative contact information for the Internet domain names included in the Intellectual Property with the applicable Internet domain name registrars to such information of Assignee's choice (including by delivering to Assignee any and all applicable user names and passwords for any accounts related to such Internet domain names to enable Assignee to assume control of such Internet domain names). If any Assignor fails to promptly take or execute any action or document described in this Section 2 after written request by Assignee, then such Assignor hereby constitutes and appoints Assignee as its true and lawful agent and attorney-in-fact, with full power of substitution, in the name and stead of such Assignor but on behalf and for the benefit of Assignee, to take and execute in the name of such Assignor any and all actions and documents that may be deemed necessary or proper to effectuate, consummate, record, perfect or confirm the transactions contemplated in this Intellectual Property Assignment.

3. **Terms of the Asset Purchase Agreement.** Capitalized terms used but not defined herein shall have the meanings given to such terms in the Asset Purchase Agreement. This Intellectual Property Assignment is entered into pursuant to, and subject to all of the terms and conditions of, the Asset Purchase Agreement. Nothing contained in this Assignment shall be deemed to supersede, enlarge on or modify any of the obligations, agreements, covenants or warranties of any Assignor or Assignee contained in the Asset Purchase Agreement. In the event of any conflict or inconsistency between this Intellectual Property Assignment and the Asset Purchase Agreement, the terms of the Asset Purchase Agreement shall prevail.

4. **Miscellaneous.** Sections 8.5 (Amendment), 8.6 (Waiver), 8.7 (Notices), 8.8 (Jurisdiction), 8.9 (Waiver of Jury Trial), 8.10 (Governing Law), 8.11 (Damages), 8.13 (Severability), 8.14 (Titles and Headings), 8.15 (Assignment; Successors and Assigns); 8.16 (No Third-Party Rights) 8.18 (Entire Agreement) and 8.19 (Execution of this Agreement) of the Asset Purchase Agreement shall apply *mutatis mutandis* to this Intellectual Property Assignment.

*(Signatures appear on following page)*

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized officers to execute this Intellectual Property Assignment as of the day and year first written above.

**ASSIGNORS:**

**WALKER EDISON HOLDCO LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**WALKER EDISON INTERMEDIATE, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**WALKER EDISON FURNITURE COMPANY  
LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EW FURNITURE, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ASSIGNEE:**

**TWIN STAR INTERNATIONAL, INC.**

By:\_\_\_\_\_

Name: Todd Outen

Title: President and Chief Commercial Officer

**EXHIBIT C**

**Proposed Sale Order**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re

WALKER EDISON HOLDCO LLC, *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 25-11602 (TMH)

(Jointly Administered)

**Re: D.I. [●]**

**ORDER (I) APPROVING THE SALE OF THE DEBTORS' ASSETS FREE AND CLEAR  
OF CLAIMS, LIENS, AND ENCUMBRANCES, (II) APPROVING THE ASSUMPTION  
AND ASSIGNMENT OF DESIGNATED EXECUTORY CONTRACTS AND  
UNEXPIRED LEASES, AND (III) GRANTING RELATED RELIEF**

Upon the motion (the "Motion") dated August 28, 2025 (D.I. ●), of the above-captioned debtors and debtors in possession (collectively, the "Debtors"), for the entry of (i) an order (a) approving the bid procedures (the "Bid Procedures"), in connection with the sale of all or substantially all of the Debtors' assets; (b) approving various forms and the manner of notice of respective dates, times and places in connection therewith; (c) authorizing the Debtors to enter into and perform under an asset purchase agreement attached thereto as Exhibit A (the "Agreement")<sup>2</sup> between the Debtors (the "Sellers") and Twin-Star International, Inc. ("Twin Star") (the "Purchaser"), subject to the solicitation of the highest acceptable offer for the Debtors' assets (the "Acquired Assets"); (d) approving the Bid Protections granted to the Purchaser; (e) approving procedures for the assumption and assignment of certain designated executory contracts and unexpired leases (the "Designation Procedures"); (f) scheduling an auction (the "Auction") and

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<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor's federal EIN, are as follows: Walker Edison Holdco LLC (8817); Walker Edison Intermediate, LLC (3363); Walker Edison Furniture Company LLC (6576); and EW Furniture, LLC (6288). The Debtors' mailing address is 1553 W 9000 S, West Jordan, UT 84088.

<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Bid Procedures Order or the Agreement, as applicable.

the date and time of the hearing to approve the sale (the “Sale Hearing”) of the Acquired Assets and assumption of certain liabilities of the Debtors (the “Assumed Liabilities”); and (g) granting related relief; and (ii) an order (a) authorizing the sale (the “Sale”) of the Acquired Assets to the Purchaser free and clear of all liens, claims, interest and other encumbrances pursuant to the asset purchase agreement attached hereto as **Exhibit A** (the “Agreement”); (b) authorizing the assumption and assignment of certain executory contracts and unexpired leases; and (c) granting related relief; and the Court having considered the Motion and entered the *Order Pursuant to Sections 105, 363, 364, 365 and 541 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 6006 and 9007 and Del. Bankr. L.R. 2002-1 and 6004-1 (A) Approving Bid Procedures for the Sale of Substantially All of the Debtors’ Assets; (B) Approving the Debtors’ Entry Into Stalking Horse Agreement and Related Bid Protections; (C) Approving Procedures for the Assumption and Assignment or Rejection of Designated Executory Contracts and Unexpired Leases; (D) Scheduling an Auction and Sale Hearing; (E) Approving Forms and Manner Of Notice Of Respective Dates, Times, and Places In Connection Therewith; and (F) Granting Related Relief* (D.I. 149) (the “Bid Procedures Order”) approving, among other things, the Bid Procedures attached thereto as Exhibit 1, authorizing the Debtors to designate Twin-Star International, Inc. as the Stalking Horse Bidder, the Stalking Horse Agreement as the stalking horse bid for the Acquired Assets, the Bid Protections, all as more fully described in the Bid Procedures Order; and the Debtors having received Bids other than the Stalking Horse Bid for the Acquired Assets; and the Debtors accordingly, pursuant to the Bid Procedures, having held an Auction on September [●], 2025; and the Purchaser having been selected as the Successful Bidder for the Acquired Assets; and this Court having conducted the Sale Hearing on September [●], 2025; and all parties in interest having been heard, or having had the opportunity to object and be heard, regarding the

Agreement, the Sale and this order (the “Sale Order”); and this Court having reviewed and considered all objections and responses thereto, and the arguments of counsel made, and the evidence adduced, at the hearing with respect to the Bid Procedures, held on September [●], 2025 (the “Bid Procedures Hearing”) and the Sale Hearing; and upon the entire record of the Bid Procedures Hearing and the Sale Hearing, and after due deliberation thereon, and good cause appearing therefor:

**IT IS HEREBY FOUND, CONCLUDED, AND DETERMINED THAT:<sup>3</sup>**

**Jurisdiction, Final Order and Statutory Predicates**

A. This Court has jurisdiction to hear and determine the approval of the Sale under 28 U.S.C. §§ 1334 and 157 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated as of February 29, 2012. This is a core proceeding under 28 U.S.C. § 157(b). Venue of these chapter 11 cases in this district is proper under 28 U.S.C. §§ 1408 and 1409.

B. This Sale 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, this Court expressly finds that there is no just reason for delay in the implementation of this Sale Order, and expressly directs entry of judgment as set forth herein.

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<sup>3</sup> The findings and conclusions set forth herein constitute this Court’s findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any conclusions of law constitute findings of fact, they are adopted as such. The Court’s findings shall also include any oral findings of fact and conclusions of law made by the Court during or at the conclusion of the Sale Hearing. This Sale Order shall constitute the findings of fact and conclusions of law and shall take immediate effect upon execution hereof.

C. The statutory predicates for the relief sought by the Motion are Sections 105(a), 363, 365 and 503 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 6006 and 9014, and Rules 2002-1 and 6004-1 of the Local Rules of the United State Bankruptcy Court for the District of Delaware (the “Local Rules”).

**Notice of the Sale, Auction and the Cure Amounts**

D. As evidenced by the (i) *Declaration of [●] in Support of Debtors’ Motion for Entry of an Order (I) Approving the Sale of the Debtors’ Assets Free and Clear of Claims, Liens, and Encumbrances, (II) Approving the Assumption and Assignment of Designated Executory Contracts and Unexpired Leases, and (III) Granting Related Relief* (D.I. [●]) (the “[●] Declaration”) and (ii) *Declaration of [●] in Support of Debtors’ Motion for Entry of an Order (I) Approving the Sale of the Debtors’ Assets Free and Clear of Claims, Liens, and Encumbrances, (II) Approving the Assumption and Assignment of Designated Executory Contracts and Unexpired Leases, and (III) Granting Related Relief* (D.I. [●]) (the “[●] Declaration,” together with the [●] Declaration, the “Sale Declarations”) and the certificates of service filed with the Court (D.I. [●]) (collectively, the “Certificates of Service”), proper, timely, adequate, and sufficient notice of the Motion, the Bid Procedures Order, [the Auction], the Sale Hearing, the Sale, and transactions contemplated by the Agreement, including the assumption, assignment and/or transfer of the Assigned Contracts, and a reasonable opportunity to object or be heard with respect thereto and to the entry of this Sale Order has been afforded to all known interested persons and entities entitled to receive such notice, including, but not limited to the Notice Parties set forth in the Bid Procedures.

E. In accordance with the provisions of the Bid Procedures Order, the Debtors have served the (i) *Notice of (I) Possible Treatment of Contracts and Leases, (II) Fixing of Cure*

*Amounts, and (III) Deadline to Object Thereto* (D.I. [●]) (“Cure Notice”) upon all of the counterparties to the contracts and leases set forth on the schedule attached as Exhibit A (the “Contract and Lease Schedule”) to the Cure Notice, as the same may be subsequently modified pursuant to the terms of the Agreement (each, an “Assigned Contract,” and, collectively, the “Assigned Contracts”) setting forth: (i) the contract(s) and/or lease(s) that may be assumed by the Sellers and assigned to the Purchaser; (ii) the name of the counterparty thereto; (iii) notice of the right of the Sellers and/or the Purchaser to withdraw such request for assumption and assignment of the Assigned Contract(s) prior to the Closing; and (iv) the amount, if any, determined by the Sellers to be necessary to be paid by the Sellers to cure and compensate for any existing default in accordance with Sections 365(b) and 365(f)(2) of the Bankruptcy Code (the “Cure Amount”). *See* Certificates of Service (D.I. [●]). [Concurrently with the filing of the Cure Notice, a letter with information that established adequate assurance of future performance was served on all counterparties to the contracts and leases set forth on the Contract and Lease Schedule.] The deadline for a non-Debtor counterparty to file an objection regarding the ability of the Purchaser to provide adequate assurance of future performance or to the stated Cure Amount in the Cure Notices (a “Cure Notice Objection”) has expired and, to the extent any such party timely filed a Cure Objection, all such Cure Notice Objections have been resolved, withdrawn, overruled or denied. To the extent that any non-Debtor counterparty did not timely file a Cure Notice Objection by the objection deadline listed in the Cure Notices (the “Cure Notice Objection Deadline”), such party shall be deemed to have consented to the (i) assumption and assignment of the Assigned Contract, (ii) proposed Cure Amount set forth on the Cure Notices, and (iii) adequate assurance of the Purchaser’s future performance previously provided.

F. The service of such Cure Notice (i) was good, sufficient and appropriate under the circumstances of these chapter 11 cases; (ii) provided such counterparties with a full and fair opportunity to object to such assumption, assignment, or transfer and to the proposed Cure Amount set forth in the Cure Notice; and (iii) was in compliance with the Bid Procedures Order and applicable provisions of the Bankruptcy Court, the Bankruptcy Rules and Local Rules. Accordingly, no other or further notice need be given in connection with such assumption, assignment, or transfer of the Assigned Contracts or with respect to the Cure Amounts with respect to the Assigned Contracts.

G. As evidenced by the Certificates of Service previously filed with this Court and as approved under the Bid Procedures Order: (i) due, proper, timely, adequate and sufficient notice of the [Auction], Sale Hearing, the assumption and assignment of the Assigned Contracts, the entry of this Sale Order, and the Sale has been provided to all parties in interest; (ii) such notice was, and is, good, sufficient and appropriate under the circumstances of these chapter 11 cases, provided a fair and reasonable opportunity for parties in interest to object, and to be heard, with respect thereto, and was provided in accordance with the Bid Procedures Order, Sections 102(1), 363 and 365 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 6006, 9006, 9007 and 9014, and the applicable Local Rules; and (iii) no other or further notice of such matters is necessary or shall be required.

**Title to the Acquired Assets**

H. The Acquired Assets that are owned by the Debtors constitute property of the Debtors' estates and good title is vested in the Debtors' estates within the meaning of Section 541(a) of the Bankruptcy Code. Except as provided in the Agreement, the Debtors are the sole and rightful owners of such Acquired Assets that are owned by the Debtors with all right, title and

interest to transfer and convey the Acquired Assets to the Purchaser, and no other person has any ownership right, title, or interests therein.

**Business Judgment**

I. The Debtors have demonstrated good, sufficient and sound business purposes and justifications for, and compelling circumstances to promptly consummate, the Sale and other transactions contemplated by the Agreement and any additional or ancillary documents contemplated thereby (the “Transaction Documents”), including, without limitation, the assumption, assignment, and/or transfer of the Assigned Contracts (collectively, the “Transactions”) pursuant to Sections 363 and 365 of the Bankruptcy Code, prior to and outside of a plan of reorganization, and such action is an appropriate exercise of the Debtors’ business judgment and in the best interests of the Debtors, their estates, and their creditors. Such business reasons include, but are not limited to, the facts that: (i) there is substantial risk of depreciation of the value of the Acquired Assets if the Sale is not consummated promptly; (ii) the Agreement constitutes the highest and otherwise best offer for the Acquired Assets; (iii) the Agreement and the Closing will present the best opportunity to realize the value of the Acquired Assets; and (iv) unless the Sale is concluded expeditiously as provided for in this Sale Order and pursuant to the Agreement, potential creditor recoveries may be substantially diminished.

J. The releases provided under the Agreement are fair and reasonable, are in the best interests of the Debtors, their estates, their creditors and all other parties in interest, and are being provided in return for fair consideration.

**Compliance with Bid Procedures.**

K. The Bid Procedures were substantively and procedurally fair to all parties, including all potential bidders, and were the result of arms’-length negotiations. Further, the Bid

Procedures afforded notice and a full, fair, and reasonable opportunity for any Person to make a higher or otherwise better offer to purchase the Acquired Assets. The Debtors, the Purchaser, and their respective counsel and other advisors have complied with the Bid Procedures and Bid Procedures Order in all respects except as properly waived in the exercise of their fiduciary duties in accordance with such Bid Procedures. The Purchaser subjected its bid to the competitive Bid Procedures approved by this Court and the Purchaser was found eligible to participate in the Auction and was the Successful Bidder for the Acquired Assets in accordance with the Bid Procedures Order and Bid Procedures.

L. The Bidding Procedures Order is incorporated herein by reference.

**Good Faith of the Purchaser; No Collusion**

M. The Purchaser is not an insider (as that term is defined in Section 101(31) of the Bankruptcy Code) of any of the Debtors or any of their Affiliates.

N. The Purchaser is purchasing the Acquired Assets in good faith, and is a good faith Purchaser, within the meaning of Section 363(m) of the Bankruptcy Code, and is therefore entitled to, and granted pursuant to paragraph [31] below, the full rights, benefits, privileges, and protections of that provision, and the Purchaser and the Sellers have each proceeded in good faith in all respects in connection with the Transaction in that, *inter alia*: (i) the Purchaser recognized that the Debtors were free to deal with any other party interested in acquiring the Acquired Assets; (ii) the Purchaser complied with the provisions in the Bid Procedures Order; (iii) the Purchaser's bid was subject to the competitive bid procedures set forth in the Bid Procedures Order; (iv) the Purchaser has acted in good faith in pursuing the transactions contemplated by the Purchaser's Bid; (v) the Purchaser is not an insider or affiliate of the Debtors; and (vi) the negotiation and execution of the Agreement and Transaction Documents were at arms' length and in good faith.

The Purchase Price in respect of the Acquired Assets was not controlled by any agreement among potential bidders and neither the Debtors nor the Purchaser has engaged in any collusion, fraud, or any conduct that would cause or permit the Agreement to be avoided or costs and damages to be imposed under Section 363(n) of the Bankruptcy Code or that would prevent the application of Section 363(m) of the Bankruptcy Code.

O. None of the Debtors, the Purchaser, or any of their respective current and former officers, directors, managers, members, partners, managed funds, affiliates, agents, advisors, professionals, and representatives (collectively, the “Representatives”), have engaged in any conduct that would cause or permit the Agreement or any of the Transaction Documents, or the consummation of the Transaction, to be avoidable or avoided, or for costs or damages to be imposed, under Section 363(n) of the Bankruptcy Code, or has acted in bad faith or in any improper or collusive manner with any Person in connection therewith.

#### **Highest and Best Offer**

P. As demonstrated by the Sale Declarations, the Motion, any evidence proffered or adduced at the Sale Hearing, and the representations of counsel made at the Sale Hearing, the Debtors and their advisors engaged in a robust, diligent and extensive marketing and sale process, which was open and fair, in accordance with the Bid Procedures Order and the sound exercise of the Debtors’ business judgment. The sale process set forth in the Bid Procedures Order afforded a full, fair and reasonable opportunity for any person or entity to make a higher acceptable offer to purchase the Acquired Assets.

Q. In accordance with the Bid Procedures Order, the Agreement was deemed a Qualified Bid (as defined in the Bid Procedures Order) [and was eligible to participate at the Auction].

R. The Agreement constitutes the highest and best offer for the Acquired Assets and will provide a greater recovery for the Debtors' estates than would be provided by any other available alternative. The Debtors' determination that the Agreement constitutes the highest and best offer for the Acquired Assets constitutes a valid and sound exercise of the Debtors' fiduciary duties and business judgment.

S. The Agreement represents a fair and reasonable offer to purchase the Acquired Assets under the circumstances of these chapter 11 cases. No other Person or entity or group of entities has offered to purchase the Acquired Assets for greater economic value to the Debtors' Estates than the Purchaser.

T. Approval of the Agreement, and the prompt consummation of the Transactions contemplated thereby, is in the best interests of the Debtors, their creditors, their Estates and other parties-in-interest.

**No Fraudulent Transfer; Not a Successor**

U. The Agreement and Transaction Documents were not entered into, and the Transactions are not being consummated, for the purpose of hindering, delaying or defrauding creditors of the Debtors under applicable Law, and none of the Parties to the Agreement or any of the Transaction Documents are consummating the Transactions with any fraudulent or otherwise improper purpose. The Purchase Price for the Acquired Assets constitutes, (i) reasonably equivalent value under the Bankruptcy Code, the Uniform Voidable Transactions Act and the Uniform Fraudulent Transfer Act, (ii) fair consideration under the Uniform Fraudulent Conveyance Act and (iii) reasonably equivalent value, fair consideration, and fair value under any other applicable Laws of any Governmental Authority.

V. Except as expressly set forth in the Agreement with respect to the Assumed Liabilities, to the greatest extent permitted by applicable Law after the Closing, the Purchaser shall not have any liability, responsibility, or obligations of any kind or nature whatsoever for any Liens (as defined below) of or against the Debtors, or otherwise related to the Acquired Assets (except as expressly set forth in the Agreement with respect to the Assumed Liabilities), and arising prior to the Closing, by reason of the transfer of the Acquired Assets to the Purchaser. Additionally, the Purchaser shall not be liable for any acts or omissions of the Sellers arising under or related to the Acquired Assets, other than as set forth in the Agreement. The Sale and transfer of the Acquired Assets of the Debtors to the Purchaser, including the assumption by the Debtors and assignment, transfer and/or sale to the Purchaser of the Assigned Contracts, will not subject the Purchaser to any liability (including any successor liability) under any laws, including any bulk-transfer laws, or any theory of successor or transferee liability, antitrust, environmental, product line, *de facto* merger or substantial continuity or similar theories, with respect to the operation of the Debtors' business prior to the Closing, except that, upon the Closing or such other date as specified in the Agreement, the Purchaser shall become liable for the applicable Assumed Liabilities. The Purchaser shall not be deemed, as a result of any action taken in connection with the Transactions, to: (1) be a successor (or other such similarly situated party) to any of the Debtors; (2) have, *de facto* or otherwise, merged or consolidated with or into any of the Debtors; or (3) be a mere continuation or substantial continuation of the Sellers or its enterprise. To the greatest extent permitted by applicable law, the Purchaser is not acquiring or assuming any Lien arising prior to the Closing, except as expressly set forth in the Agreement with respect to the Assumed Liabilities.

**Validity of Transfer**

W. Subject to the entry of this Sale Order, the Debtors have full corporate power and authority (i) to perform all of their obligations under the Agreement and the Transaction Documents, and the Sellers' prior execution and delivery thereof and performance thereunder has been duly and validly authorized by all necessary corporate or other action of the Debtors and is hereby ratified in full, and (ii) to consummate the Transactions. The Agreement and Transaction Documents, and the Transactions contemplated thereby, have been duly and validly authorized by all necessary corporate action. No further consents or approvals are required for the Debtors to consummate the Transactions or otherwise perform their respective obligations under the Agreement or the Transaction Documents, except in each case as otherwise expressly set forth in the Agreement or applicable Transaction Documents.

X. Effective upon the consummation of the Sale at Closing in accordance with the Agreement, the transfer of the Acquired Assets to the Purchaser including, without limitation, the assumption, assignment and transfer of the Assigned Contracts, will be a legal, valid, and effective transfer thereof, and vest the Purchaser with all right, title, and interest of the Sellers in and to the Acquired Assets, to the greatest extent permitted by applicable Law, free and clear of all Liens (as defined in paragraph [Y] of this Sale Order) accruing or arising any time prior to the Closing Date (with such Liens to attach to the proceeds of the Sale with the same priority, validity, force and effect as such Liens had immediately prior to the consummation of such Sale), and except as expressly set forth in the Agreement with respect to the Assumed Liabilities.

**Section 363(f) Is Satisfied**

Y. The Purchaser would not have entered into the Agreement and would not consummate the Transactions if the Sale of the Acquired Assets, including the assumption,

assignment and transfer of the Assigned Contracts, to the Purchaser were not free and clear of all Liens of any kind or nature whatsoever (except as expressly set forth in the Agreement with respect to the Assumed Liabilities), or if the Purchaser, any of its Affiliates or subsidiaries, or any of their respective Representatives, would, or in the future could, be liable for any of such Liens of any kind or nature whatsoever (except as expressly set forth in the Agreement with respect to the Assumed Liabilities). The total consideration to be provided under the Agreement reflects the Purchaser's reliance on this Sale Order to provide it, pursuant to Sections 105(a) and 363(f) of the Bankruptcy Code, with title to and possession of the Acquired Assets owned by the Debtors free and clear of all Claims (including, without limitation, any potential derivative, vicarious, transferee or successor liability claims).

Z. The Sellers may sell or otherwise transfer the Acquired Assets free and clear of all Liens (except as expressly set forth in the Agreement with respect to the Assumed Liabilities) 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 against the Debtors, their estates or any portion or subpart of the Acquired Assets who did not object, or who withdrew their objections, to the Sale are deemed to have consented thereto pursuant to Section 363(f)(2) of the Bankruptcy Code. Those holders of such Liens who did object fall within one or more of the other subsections of Section 363(f) and are adequately protected by having their liens, claims, encumbrances, or other Liens, if any, automatically attach to the proceeds of the Sale, ultimately attributable to that portion or subpart of the Acquired Assets in which such creditor alleges or asserts any Liens, in the same order of priority, with the same validity, force and effect, that such Liens had immediately prior to consummation of the Sale as against such portion or subpart of the

Acquired Assets, subject to any claims and defenses the Debtors and their estates may possess with respect thereto.

AA. As used in this Sale Order, the term “Liens” includes, in addition to the types of claims described in paragraph [BB] below, any lien (as defined in Section 101(37) of the Bankruptcy Code), encumbrance, claim (as defined in Section 101(5) of the Bankruptcy Code), including claims or Liability (as defined in the Agreement) based on successor liability theories or otherwise under any theory of Law (as defined in the Agreement) or equity, right, guarantees, actions, suits, licenses, deposits, credits, allowances, options, contractual commitments, liabilities, demand, charge, mortgage, deed of trust, option, pledge, restrictions, indentures, instruments, security interest or similar interests, hypothecs, trusts or deemed trusts, community property interest, equitable interest, title defects, hypothecations, easements, rights of way, restrictive covenants, rights of first refusal, rights of offset, setoff or recoupment or any other similar theory, royalties, conditions, encroachments, preemptive rights, judgments, orders and decrees of any court or foreign domestic governmental entity, taxes (including foreign, state and local taxes), conditional sale or other title retention agreements and other similar impositions, preferences, imperfections or defects of title or restrictions on transfer, voting or use or receipt of income or exercise of any attribute of ownership, whether secured or unsecured, noticed or unnoticed, perfected or unperfected, allowed or disallowed, matured or unmatured, liquidated or unliquidated, disputed or undisputed, choate or inchoate, filed or unfiled, scheduled or unscheduled, recorded or unrecorded, contingent or non-contingent, material or non-material, known or unknown, whether existing in the United States or elsewhere, whether imposed by agreement, understanding, law, equity, or otherwise, including, but not limited to, (a) mortgages, deeds of trust, pledges, charges, security interests, hypothecations, encumbrances, easements, servitudes, leases, subleases,

rights-of-way, encroachments, restrictive covenants, restrictions on transferability or other similar restrictions, rights of setoff (except for setoffs validly exercised before the Petition Date), rights of use or possession, subleases, leases, conditional sale arrangements, deferred purchase price obligations, or any similar rights; (b) all claims, including, without limitation, all rights or causes of action (whether in law or equity), proceedings, warranties, guarantees, indemnities, rights of recovery, setoff (except for setoffs validly exercised before the Petition Date), indemnity or contribution or exoneration, demands, claims for reimbursement or subrogation, indemnification claims, or liabilities relating to any act or omission of the Debtors or any other person, consent rights, options, contract rights, covenants, and interests of any kind or nature whatsoever (known or unknown, matured or unmatured, accrued, or contingent and regardless of whether currently exercisable), whether arising prior to or subsequent to the commencement of the chapter 11 cases, and whether imposed by agreement, understanding, law, equity, or otherwise; (c) all debts, liabilities, contractual claims, and labor, employment, and pension claims; (d) any rights that purport to give any party a right or option to effect any forfeiture, modification, right of first offer or first refusal, or consents, or termination of the Debtors' or the Purchaser's interest in the Acquired Assets, or any similar rights; (e) any rights under labor or employment agreements; (f) any rights under pension, multiemployer plan (as such term is defined in Section 3(37) or Section 4001(a)(3) of the Employment Retirement Income Security Act of 1974 (as amended, "ERISA")), health or welfare, compensation or other employee benefit plans, agreements, practices, and programs, including, without limitation, any pension plans of the Debtors or any multiemployer plan to which the Debtors have at any time contributed to or had any liability or potential liability; (g) any other employee claims related to worker's compensation, occupation disease, or unemployment or temporary disability, including, without limitation, claims that might

otherwise arise under or pursuant to (i) ERISA, (ii) the Fair Labor Standards Act, (iii) Title VII of the Civil Rights Act of 1964, (iv) the Federal Rehabilitation Act of 1973, (v) the National Labor Relations Act, (vi) the Age Discrimination and Employment Act of 1967 and the Age Discrimination in Employment Act, each as amended, (vii) the Americans with Disabilities Act of 1990, (viii) the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, including, without limitation, the requirements of Part 6 of Subtitle B of Title I of ERISA and Section 4980B of the Internal Revenue Code of any similar state law, (ix) state discrimination laws, (x) state unemployment compensation laws or any other similar state laws, (xi) any other state or federal benefits or claims relating to any employment with the Debtors or any of their predecessors, or (xii) the WARN Act (29 U.S.C. §§ 2101, et seq.) or any state or other laws of similar effect; (h) any bulk sales or similar law; (i) any taxes arising under or out of, in connection with, or in any way relating to the operation of the Acquired Assets or business of the Debtors before the closing of the Sale; (j) any unexpired and executory contract or unexpired lease to which the Debtors are a party that is not assumed; (k) any other excluded liabilities under the Agreement; and (l) Liens or other interests arising under or in connection with any acts, or failures to act, of the Debtors or any of their predecessors, affiliates, or subsidiaries, including, but not limited to, Liens or other interests arising under any doctrines of successor liability (to the greatest extent permitted by applicable law), or transferee or vicarious liability, alter ego claims, *de facto* merger claims, violation of the Securities Act of 1933, the Securities Exchange Act of 1934, or other applicable securities laws or regulations, breach of fiduciary duty, or aiding or abetting breach of fiduciary duty, or any similar theories under Contract, applicable Law, equity or otherwise.

BB. Except as expressly set forth in the Agreement with respect to the Assumed Liabilities, and without limiting the nature or scope of paragraph [AA] above, the transfer of the

Acquired Assets, including the assumption, assignment and/or transfer of the Assigned Contracts, to the Purchaser, will not subject the Purchaser, or any of its Affiliates or subsidiaries, or any of their respective Representatives to, or subject any Acquired Assets to or provide recourse for, any liability or encumbrance whatsoever with respect to the operation or condition of the Acquired Assets prior to the Closing or with respect to any facts, acts, actions, omissions, circumstances or conditions existing, occurring or accruing with respect thereto prior to the Closing Date, including, without limitation, any liability or encumbrance arising from any of the following: (i) any employment or labor agreements, consulting agreements, severance arrangements, change in control agreements or other similar agreements to which any Debtor is or was a party, (ii) any pension, welfare, compensation or other employee benefit plans, agreements, practices, and programs, including without limitation, any pension plan of the Debtors or any Debtors' affiliates or predecessors or any current or former employees of any of the foregoing, (iii) the cessation of the Debtors' operations, dismissal of employees, or termination of employment or labor agreements or pension, welfare, compensation or other employee benefit plans, agreements, practices and programs and any obligations with respect thereto that arise from the Employee Retirement Income Security Act of 1974, the Fair Labor Standard Act, Title VII of the Civil Rights Act of 1964, the Age Discrimination and Employment Act of 1967, the Americans with Disabilities Act of 1990, the Federal Rehabilitation Act of 1973, the National Labor Relations Act, the Consolidated Omnibus Budget Reconciliation Act of 1985 or the Worker Adjustment and Retraining Notification Act, (iv) workmen's compensation, occupational disease or unemployment or temporary disability insurance claims, (v) environmental liabilities, debts, claims or obligations that may be asserted on any basis, including, without limitation, under the Comprehensive Environmental Response, Compensation and Liability Act or any Environmental

Laws, (vi) products liability or warranties, (vii) any bulk sales or similar law, (viii) any litigation by or against the Debtors and (ix) the Laws of the United States, any state, territory or possession thereof, or the District of Columbia based in any theory of products liability, or successor, vicarious or transferee liability. For the avoidance of doubt, the liabilities and encumbrances set forth in this paragraph are included in the defined term “Liens” for all purposes of this Sale Order.

CC. The Purchaser will not consummate the transactions contemplated by the Agreement, including, without limitation, the Sale and the assumption and assignment of the Assigned Contracts, unless this Court expressly orders that the Purchaser of the Acquired Assets will not have any liability whatsoever with respect to, or be required to satisfy in any manner, whether at law or equity, or by payment, or otherwise, directly or indirectly, any Liens.

DD. Not transferring the Acquired Assets free and clear of all Liens would adversely impact the Debtors’ efforts to maximize the value of their estates, and the transfer of the Acquired Assets other than pursuant to a transfer that is free and clear of all Liens would be of substantially less benefit to the Debtors’ estates.

**Assumption, Assignment and/or Transfer of the Assigned Contracts**

EE. The assumption, assignment and/or transfer of the Assigned Contracts to the Purchaser pursuant to the terms of this Sale Order is integral to the Agreement and is in the best interests of the Debtors and their estates, creditors and other parties in interest, and represents the reasonable exercise of sound and prudent business judgment by the Debtors.

FF. To the extent necessary or required by applicable Law, the Sellers have or will have as of the Closing Date: (i) cured, or provided adequate assurance of cure, of any default existing prior to the Closing Date with respect to the Assigned Contracts, within the meaning of Sections 365(b)(1)(A) and 365(f)(2)(A) of the Bankruptcy Code, and (ii) provided compensation,

or adequate assurance of compensation, to any party for any actual pecuniary loss to such party resulting from such default, within the meaning of Section 365(b)(1)(B) of the Bankruptcy Code. Payment of the Cure Amount is the sole amount required under Sections 365(b)(1)(A) and 365(f)(2)(A) of the Bankruptcy Code to cure all such monetary defaults and pay all actual pecuniary losses under the Assigned Contracts.

GG. The promise of the Purchaser to perform the obligations first arising under the Assigned Contracts after their assumption and assignment to the Purchaser, the Purchaser's financial wherewithal to consummate the transactions contemplated by the Agreement and the evidence presented at the Sale Hearing demonstrating the Purchaser's ability to perform the obligations under the Assigned Contracts after the Closing Date constitute adequate assurance of future performance within the meaning of Sections 365(b)(1)(C) and 365(f)(2)(B) of the Bankruptcy Code to the extent that any such assurance is required and not waived by the counterparties to such Assigned Contracts. Any objections, responses or requests with respect to the foregoing, whether formal or informal, the determination of any Cure Amount, or otherwise related to or in connection with the assumption, assignment or transfer of any of the Assigned Contracts to the Purchaser are hereby overruled on the merits or otherwise treated as set forth in paragraph [3] below. Any parties to Assigned Contracts that did not object to the assumption, assignment or transfer of their applicable Assigned Contract, or to their applicable Cure Amount, are deemed to have consented thereto for all purposes to the assumption and assignment of such Assigned Contract pursuant to this Sale Order.

HH. The notice and opportunity to object provided to Counterparties to such Assigned Contracts and to other parties in interest, as set forth in the Assumption and Assignment

Procedures contained in the Bid Procedures Order, fairly and reasonably protects any rights that such counterparties and other parties in interest may have with respect to such Contracts.

**Compelling Circumstances for an Immediate Sale**

II. To preserve the value of the Acquired Assets and maximize the value of the Debtors' estates, it is essential that the Sale of the Acquired Assets occur within the time constraints set forth in the Agreement. Time is of the essence in consummating the Sale. The Court expressly finds that there is no just reason for delay in the implementation of this Sale Order. Accordingly, there is sufficient cause to waive the 14-day stay provided in the Bankruptcy Rules 6004(h) and 6006(d).

JJ. Given all of the circumstances of these chapter 11 cases and the adequacy and fair value of the Purchase Price under the Agreement, the proposed transfer of the Acquired Assets to the Purchaser constitutes a reasonable and sound exercise of the Debtors' business judgment, is in the best interests of the Debtors, their estates, and their creditors, and should be approved.

KK. The consummation of the Transactions is legal, valid and properly authorized under all applicable provisions of the Bankruptcy Code, including, without limitation, Sections 105, 363 and 365 of the Bankruptcy Code, and all of the applicable requirements of such Sections have been complied with in respect of the Transactions.

LL. The consideration provided by the Purchaser pursuant to the Transaction will provide a greater recovery for the Debtors' estates than would be provided by other available alternatives, including a separate liquidation of the Acquired Assets and, accordingly, creditor recoveries will be diminished should the Transaction be delayed or not be consummated.

MM. The Agreement is a valid and binding contract between the Debtors and the Purchaser and shall be enforceable pursuant to its terms. The Agreement and the Transactions themselves, and the consummation thereof shall be specifically enforceable against and binding upon (without posting any bond) the Debtors, and any chapter 7 or chapter 11 trustee appointed in these chapter 11 cases, and shall not be subject to rejection or avoidance by the foregoing parties or any other Person.

NN. The Sale does not constitute a *de facto* plan of reorganization or liquidation or an element of such a plan for any of the Debtors, as it does not and does not propose to: (i) impair or restructure existing debt of, or equity interests in, the Debtors; (ii) impair or circumvent voting rights with respect to any future plan proposed by the Debtors; (iii) circumvent chapter 11 plan safeguards, such as those set forth in Sections 1125 and 1129 of the Bankruptcy Code; or (iv) classify claims or equity interests, compromise controversies or extend debt maturities. Entry into the Agreement and the Transactions neither impermissibly restructures the rights of the Debtors' creditors, nor impermissibly dictates the terms of a chapter 11 plan for the Debtors. Entry into the Agreement does not constitute a sub rosa chapter 11 plan.

OO. The legal and factual bases set forth in the Motion and at the Sale Hearing establish just cause for the relief granted herein.

PP. The Purchaser would not consummate the transactions absent the relief provided for in this Sale Order.

**NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:**

**General Provisions**

1. The Motion and the relief granted therein to the extent not previously granted by this Court pursuant to the Bid Procedures Order is granted and approved, as set forth in this Sale Order.

2. The Transactions contemplated by the Agreement and the Transaction Documents are approved, as set forth in this Sale Order.

3. This Court's findings of fact and conclusions of law set forth in the Bid Procedures Order are incorporated herein by reference.

4. All objections to the Sale, the Motion or the relief requested therein, and any joinders thereto, that have not been withdrawn, waived, resolved, or otherwise settled as set forth herein, as announced to this Court at the Sale Hearing or by stipulation filed with this Court, and all reservations of rights included therein, are hereby denied and overruled on the merits with prejudice. All persons and entities who did not object or withdrew their objections to the Motion are deemed to have consented to the Sale and entry of this Sale Order pursuant to Section 363(f)(2) of the Bankruptcy Code.

5. Notice of the Motion and the Sale Hearing was adequate, appropriate, fair and equitable under the circumstances and complied in all respects with Section 102(1) of the Bankruptcy Code and Bankruptcy Rules 2002, 6004 and 6006, applicable Local Rules, and the Bid Procedures Order.

**Approval of Agreement; Binding Nature**

6. The Agreement and the other Transaction Documents, and all of the terms and conditions thereof, are hereby approved as set forth herein. The failure specifically to include

any particular provision of the Agreement in this Sale Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the Agreement and the other Transaction Documents be authorized and approved in their entirety, except as provided herein.

7. The execution, delivery and performance by the Sellers of the Agreement is approved pursuant to Sections 105, 363, and 365 of the Bankruptcy Code.

8. The consideration provided by the Purchaser for the Acquired Assets under the Agreement is fair and reasonable and shall be deemed for all purposes to constitute reasonably equivalent value, fair value, and fair consideration under the Bankruptcy Code and any other applicable Law, and the Transactions may not be avoided, or costs or damages imposed or awarded, under Section 363(n) or any other provision of the Bankruptcy Code.

9. Pursuant to Sections 363 and 365 of the Bankruptcy Code, the Debtors, as well as their officers, employees and agents, are authorized and empowered to take any and all actions necessary or appropriate to (a) consummate the Sale and the other Transactions pursuant to and in accordance with the terms and conditions of the Agreement and the Transaction Documents, and (b) execute and deliver, perform under, consummate, implement, and take any and all other acts or actions as may be reasonably necessary or appropriate to the performance of their respective obligations as contemplated by the Agreement and the Transaction Documents or as may be reasonably requested by the Purchaser for the purpose of assigning, transferring, granting, conveying and conferring to the Purchaser, or reducing to the Purchaser's possession, the Acquired Assets, in each case without further notice to or order of this Court. The Transactions authorized herein shall be of full force and effect, regardless of any Debtor's lack or purported lack of good standing in any jurisdiction in which such Debtor is formed or authorized to transact business.

10. This Sale Order shall be binding in all respects upon the Debtors, their estates, all creditors, all holders of equity interests in any Debtor, all holders of any claim(s) (whether known or unknown) against any Debtor, any holders of Liens of any kind or nature whatsoever against, in or on all or any portion of the Acquired Assets, all non-Debtor parties to the Assigned Contracts, the Purchaser and all successors and assigns of the Purchaser, including, without limitation, any trustee, if any, subsequently appointed in these chapter 11 cases or upon a conversion to cases under chapter 7 under the Bankruptcy Code of any of these chapter 11 cases.

**Transfer of Acquired Assets Free and Clear of Liens; Injunction**

11. Pursuant to Sections 105(a), 363(b), 363(f), 365(b) and 365(f) of the Bankruptcy Code, the Debtors are authorized and directed to transfer the Acquired Assets, including but not limited to the Assigned Contracts, to the Purchaser on the Closing Date in accordance with the Agreement and Transaction Documents. Effective upon the consummation of the Sale at Closing as of the Closing Date pursuant to the terms of the Agreement, such transfer shall constitute a legal, valid, binding, effective and full and complete general assignment, conveyance and transfer of such Acquired Assets transferring good and marketable and indefeasible title and interest in the Acquired Assets to the Purchaser, and the Purchaser shall take title to and possession of such Acquired Assets free and clear of all Liens of any kind or nature whatsoever to the greatest extent permitted by applicable law (and all such Liens shall attach to the proceeds of the Sale as set forth in paragraph [13]), except as expressly set forth in the Agreement with respect to the Assumed Liabilities. To the extent required by the Agreement, the Debtors agree to exercise commercially reasonable efforts to assist the Purchaser in assuring that all Persons that are presently, or on the Closing Date may be, in possession of some or all of the

Acquired Assets will surrender possession of the Acquired Assets to either (i) the Debtors before the Closing Date or (ii) the Purchaser on or after the Closing Date.

12. Effective upon consummation of the Sale at Closing in accordance with the terms of the Agreement, all Liens on the Acquired Assets shall automatically attach solely to the proceeds of the Sale with the same validity, priority, force and effect that they have immediately prior to the consummation of such Sale as against the Acquired Assets, subject to any claims and defenses the Debtors and their Estates may possess with respect thereto. This Sale Order shall be effective as a determination that, on and as of the Closing, upon consummation of the Sale in accordance with the Agreement, all Liens of any kind or nature whatsoever (except as expressly set forth in the Agreement with respect to the Assumed Liabilities) have to the greatest extent permitted by applicable Law been unconditionally released, discharged and terminated in, on or against the Acquired Assets and such Liens shall attach to the proceeds of the Sale as set forth in the immediately preceding sentence. The provisions of this Sale Order authorizing and approving the transfer of the Acquired Assets free and clear of all Liens shall be self-executing, and neither the Debtors nor the Purchaser shall be required to execute or file releases, termination statements, assignments, consents, or other instruments in order to effectuate, consummate and implement the provisions of this Sale Order. All Liens with respect to the Excluded Assets will continue in, under and against the Excluded Assets with the same priority, validity, force and effect as such Liens now have.

13. Except as expressly permitted by the Agreement or this Sale Order, upon consummation of the Sale at Closing in accordance with the terms of the Agreement, all persons and entities, including the Debtors, the Debtors' estates, any and all debt security holders, equity security holders, governmental tax and regulatory authorities, lenders, customers, vendors,

employees, former employees, litigation claimants, trustees, trade creditors, and any other creditors holding Liens in respect of the Acquired Assets of any kind or nature whatsoever (other than the Assumed Liabilities) are hereby forever barred, estopped and permanently enjoined from asserting their respective Liens against the Purchaser, any of their respective Affiliates and subsidiaries, and any of their respective Representatives, and each of their respective Acquired Assets and assets, including, without limitation, the Acquired Assets. On and after the Closing Date, upon consummation of the Sale in accordance with the Agreement, to the extent the holder of a Lien of which the Acquired Assets are free and clear pursuant to the terms hereof does not comply with paragraph [16] of this Sale Order, the Purchaser shall be authorized to execute and file such documents, and to take all other actions as may be necessary, on behalf of each holder of an Lien to release, discharge and terminate such Liens in, on and against the Acquired Assets as provided for herein, as such Liens may have been recorded or may otherwise exist. On and after the Closing Date, upon consummation of the Sale in accordance with the Agreement, and without limiting the foregoing, to the extent the holder of a Lien (as to which the Acquired Assets are being sold free and clear of pursuant to the terms hereof) does not comply with paragraph [15] of this Sale Order, the Purchaser shall be authorized to file termination statements or lien terminations in any required jurisdiction to remove any record, notice filing, or financing statement recorded to attach, perfect or otherwise notice any Lien that is extinguished or otherwise released pursuant to this Sale Order. This Sale Order constitutes authorization under all applicable jurisdictions and versions of the Uniform Commercial Code for the Purchaser to file, in accordance with the terms of this Sale Order, UCC termination statements with respect to all security interests in or liens on the Acquired Assets. This Sale Order is deemed to be in recordable form sufficient to be placed in the filing or recording system of each and every federal, state, or local government agency,

department or office, and such agencies, departments and offices are authorized to accept this Order for filing or recording. Notwithstanding the foregoing, the provisions of this Sale Order authorizing the Sale and assignment of the Acquired Assets free and clear of Claims shall be self-executing, and neither the Debtors nor the Purchaser shall be required to execute or file releases, termination statements, assignments, consents or other instruments in order to effectuate, consummate and implement the provisions of this Sale Order.

14. Effective as of the Closing, the Debtors, their estates, and each of their respective equity holders, successors and assigns, (collectively, the “Debtor Releasing Parties”) fully and unconditionally releases, acquits and forever discharges Purchaser and the Purchaser’s respective affiliates (regardless of whether such interests are held directly or indirectly), subsidiaries, direct and indirect equity holders, funds, portfolio companies, management companies, current and former directors, officers, members, employees, partners, managers, independent contractors, agents, representatives, principals, professionals, consultants, financial advisors, attorneys, accountants, investment bankers, advisory board members, investment advisors, and other professionals (the “Purchaser Released Parties”), each in their capacity as such, from any and all manner of actions, causes of actions, claims obligations, demands, damages, costs, expenses, compensation or other relief, whether known or unknown, whether in law or equity, of any kind, Debtors now have or have ever had against Purchaser. Notwithstanding the foregoing, the release and discharge provided for in the Agreement shall not release Purchaser of its respective obligations or liabilities pursuant to the Agreement, the Ancillary Agreements or the Confidentiality Agreement (each as defined in the Agreement).

15. Effective as of the Closing, the Purchaser fully and unconditionally releases, acquits and forever discharges the Debtors, their estates, and the Debtors’ respective affiliates (regardless of whether such interests are held directly or indirectly), subsidiaries, direct and indirect

equity holders, funds, portfolio companies, management companies, current and former directors, officers, members, employees, partners, managers, independent contractors, agents, representatives, principals, professionals, consultants, financial advisors, attorneys, accountants, investment bankers, advisory board members, investment advisors, and other professionals, each in their capacity as such (the “Debtor Released Parties”), from any and all manner of actions, causes of actions, claims, obligations, demands, damages, costs, expenses, compensation or other relief whether known or unknown, whether in law or equity, of any kind, Purchaser now has or has ever had against the Debtors or their estates. Notwithstanding the foregoing, the release and discharge provided for in the Agreement shall not release the Debtors or their estates of their respective obligations or liabilities pursuant to the Agreement, the Ancillary Agreements or the Confidentiality Agreement (each as defined in the Agreement).

16. Without limiting the foregoing, each of the Purchaser, and the Debtor, on behalf of itself and the Debtor Releasing Parties, expressly waives and releases any and all rights and benefits under Section 1542 of the California Civil Code (or any analogous law of any other state), which reads as follows: “A general release does not extend to claims which the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.” Each of the Purchaser and the Debtor, on behalf of itself and the Debtor Releasing Parties, expressly waives all rights afforded by any statute which limits the effect of a release with respect to unknown claims. Each of the Purchaser, and the Debtor, on behalf of itself and the other Debtor Releasing Parties, understands the significance of this release of unknown claims and waiver of statutory protection against a release of unknown claims, and acknowledges and agrees that this waiver is an essential and material term of the Agreement. Each of Purchaser and the Debtor, on behalf of itself and the other Debtor Releasing Parties,

acknowledges that the Purchaser and the Debtor and Debtor Releasing Parties will be relying on the waivers and releases provided in this paragraph [16] in connection with entering into the Agreement and that this paragraph [16] is intended for the benefit of, and will grant express third party beneficiary rights to each of the Debtor Released Parties and Purchaser Released Parties to enforce this paragraph [16].

17. Other than as specifically provided for in the Agreement or in this Sale Order, the transfer of the Acquired Assets to the Purchaser pursuant to the Agreement and Transaction Documents does not require any consents.

18. On and after the consummation of the Sale at Closing in accordance with the Agreement, the persons holding a Lien (as to which the Acquired Assets are being sold free and clear of pursuant to the terms hereof), hereby are required to execute such documents and take all other actions as may be reasonably necessary to release their respective Liens in the Acquired Assets, as such Liens may have been recorded or otherwise filed. The Purchaser may, but shall not be required to, file a certified copy of this Sale Order in any filing or recording office in any federal, state, county or other jurisdiction in which any Debtor is incorporated or has real or personal Acquired Assets, or with any other appropriate clerk or recorded with any other appropriate recorder, and such filing or recording shall be sufficient to release, discharge and terminate any of the Liens as to which the Acquired Assets are being sold free and clear of pursuant to the terms hereof, as set forth in this Sale Order as of the Closing Date. All persons and entities that are in possession of any portion of the Acquired Assets on the Closing Date shall promptly surrender possession thereof to the Purchaser at the Closing upon consummation of the Sale in accordance with the Agreement.

19. This Sale 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, and secretaries of state, federal and local officials) 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 in or to any lease. Each of the foregoing persons and entities are authorized to accept for filing any and all of the documents and instruments necessary and appropriate to release, discharge and terminate any of the Liens as to which the Acquired Assets are being sold free and clear of pursuant to the terms hereof, or to otherwise consummate the Transactions contemplated by this Sale Order, the Agreement or any Transaction Document.

**Accounts Receivable**

20. In connection with the post-closing collection by Sellers and the Purchaser of accounts receivable that are Excluded Assets and accounts receivable that are Acquired Assets, payments received shall be allocated as follows:

- a. First, if the customer designates the invoice or invoices to which a payment is to be applied, the payment shall be applied to the designated invoice or invoices;
- b. Second, if the customer does not designate the invoice or invoices to which a payment is to be applied but the amount of the payment matches the amount of an invoice or the aggregate amount of more than one invoice, the payment shall be applied to the oldest outstanding uncontested invoice or set of invoices that the amount of the payment matches; and

- c. Third, if the customer does not designate the invoice or invoices to which a payment is to be applied and the amount of the payment does not match the amount of any invoice or the aggregate amount of any set of invoices, the payment shall be applied first to the oldest outstanding uncontested invoice to that customer, then to the next oldest outstanding uncontested invoice to that customer, etc., repeating the process until the amount of the payment has been exhausted.

**Assigned Contracts; Cure Payments**

21. Pursuant to Sections 105(a), 363 and 365 of the Bankruptcy Code, and subject to and conditioned upon the Closing Date, the Sellers' assumption, and assignment and transfer to the Purchaser of the Assigned Contracts are hereby authorized and approved in full subject to the terms set forth below. The Purchaser shall, and is directed to, on or prior to the Closing (or as soon thereafter as reasonably practicable), pay the Cure Amounts and cure any and all other defaults and breaches under the Assigned Contracts in accordance with the Agreement so that such Contracts may be assumed by the Sellers and assigned to the Purchaser as applicable, on the Closing Date in accordance with this Sale Order, the Agreement, and the Transaction Documents.

22. Upon and as of the Closing, the Sellers are authorized and empowered to, and shall, assume, assign and/or transfer each of the Assigned Contracts to the Purchaser free and clear of all Liens, except as expressly set forth in the Agreement with respect to the Assumed Liabilities. The payment of the applicable Cure Amounts (if any), or the later payment of such counterparty after the Court's resolution of any dispute regarding the Cure Amount, shall, pursuant to Section 365 of the Bankruptcy Code and other applicable law, (i) effect a cure, or provide adequate assurance of cure, of all defaults existing thereunder as of the Closing and (ii) compensate, or

provide adequate assurance of compensation, for any actual pecuniary loss to such non-Debtor party resulting from such default. Accordingly, on and as of the Closing Date, other than such payment, none of the Debtors nor the Purchaser, shall have any further liabilities or obligations to the non-Debtor parties to the Assigned Contracts with respect to, and the non-Debtor parties to the Assigned Contracts shall be forever enjoined and barred from seeking, any additional amounts or claims (as defined in Section 101(5) of the Bankruptcy Code) as a result of any defaults that arose, accrued or were incurred at any time on or prior to the Closing. The Purchaser has provided adequate assurance of future performance under the relevant Assigned Contracts within the meaning of Sections 365(b) and (f) of the Bankruptcy Code and in accordance with the Bid Procedures to the extent that any such assurance is required and not waived by the counterparties to such Assigned Contracts. Upon the payment of the applicable Cure Amount, the Assigned Contracts will remain in full force and effect, and no default shall exist, or be deemed to exist, under the Assigned Contracts as of the Closing Date, including any event or condition that, with the passage of time or giving of notice, or both, would constitute such a default.

23. The Purchaser shall not be required, pursuant to Section 365(l) of the Bankruptcy Code or otherwise, to provide any additional deposit or security with respect to any Assigned Contract to the extent not previously provided by the Debtors. All timely filed objections that have asserted requests pursuant to Section 365(l) of the Bankruptcy Code or otherwise, to provide any additional deposit or security with respect to any Assigned Contract are hereby adjourned to a hearing at a future date with all parties' rights reserved.

24. To the extent any provision in any Assigned Contract assumed and assigned pursuant to this Sale Order (including, without limitation, any "change of control" provision) (a) prohibits, restricts or conditions, or purports to prohibit, restrict or condition, such assumption

or assignment, or (b) is modified, breached or terminated, or deemed modified, breached or terminated by any of the following: (i) the commencement of these chapter 11 cases, (ii) the insolvency or financial condition of any Debtor at any time before the closing of these chapter 11 cases, (iii) any Sellers' assumption or assumption and assignment (as applicable) of such Assigned Contract, or (iv) the consummation of the Transactions, including without limitation the transfer of the Acquired Assets and the assignment of the Assigned Contracts, such provision shall be deemed unenforceable or otherwise modified so as to not entitle the non-Debtor party thereto to prohibit, restrict or condition such assumption or assignment, to modify or terminate such Assigned Contract, or to exercise any other default-related rights or remedies with respect thereto, including, without limitation, any such provision that purports to allow the non-Debtor party thereto to recapture such Assigned Contracts, impose any penalty thereunder, condition any renewal or extension thereof, impose any rent acceleration or assignment fee, or increase or otherwise impose any other premium, penalties, fees or other charges in connection therewith. All such provisions constitute unenforceable anti-assignment provisions that are void and of no force and effect pursuant to Sections 365(b), 365(e) and 365(f) of the Bankruptcy Code.

25. All requirements and conditions under Sections 363 and 365 of the Bankruptcy Code for the assumption by the Sellers and assignment to the Purchaser of the Assigned Contracts have been satisfied. Upon the Closing, in accordance with Sections 363 and 365 of the Bankruptcy Code, the Purchaser shall be fully and irrevocably vested with all right, title and interest of the Sellers in and under the Assigned Contracts, and each Assigned Contract shall be fully enforceable by the Purchaser in accordance with its respective terms and conditions, except as limited or modified by the provisions of this Sale Order. Upon and as of the Closing, the Purchaser shall be deemed to be substituted for the Sellers as a party to the applicable Assigned

Contracts and, accordingly, the Sellers shall be relieved, pursuant to Section 365(k) of the Bankruptcy Code, from any further liability under the Assigned Contracts.

26. Except as provided in the Agreement or this Sale Order, after the Closing, the Debtors and their estates shall have no further liabilities or obligations with respect to any Assumed Liabilities, and all holders of Claims with respect to any Assumed Liabilities are forever barred and estopped from asserting such Claims against the Debtors, their successors or assigns, their property, or their assets or estates.

27. To the extent that any counterparty to an Assigned Contract did not object to its Cure Amount or the assumption and assignment of the Assigned Contract, such counterparty to the Assigned Contracts shall be deemed to have consented to such assumption and assignment under Section 365(c)(1)(B) of the Bankruptcy Code and the Purchaser shall enjoy all the Sellers' rights, benefits and privileges under each such Assigned Contract as of the applicable date of assumption and assignment without the necessity to obtain any non-Debtor parties' written consent to the assumption or assignment thereof.

28. Each Assigned Contract constitutes an executory contract or unexpired lease under the Bankruptcy Code and all requirements and conditions under sections 363 and 365 of the Bankruptcy Code for the assumption by the Debtors and assignment to the Purchaser of the Assigned Contracts have been, or will be, satisfied. Upon the Purchaser's assumption of the Assigned Contracts in accordance with the terms hereof, in accordance with sections 363 and 365 of the Bankruptcy Code, (a) the Purchaser shall be fully and irrevocably vested with all rights, title and interest of the Debtors under the Assigned Contracts, (b) the Purchaser shall be deemed to be substituted for the Debtors as a party to the applicable Assigned Contracts, and (c) the Debtors

shall be relieved, pursuant to section 365(k) of the Bankruptcy Code, from any further liability under the Assigned Contracts.

29. The failure of the Debtors or the Purchaser, as applicable, to enforce at any time one or more terms or conditions of any Assigned Contract shall not be a waiver of such terms or conditions, or of its respective rights to enforce every term and condition of the Assigned Contracts.

**Additional Injunction; No Successor Liability**

30. Effective upon the consummation of the Sale on the Closing Date in accordance with the Agreement and except as expressly set forth in the Agreement and the Transaction Documents with respect to the Assumed Liabilities, all persons and entities are forever prohibited and permanently enjoined from (a) commencing or continuing in any manner any action or other proceeding, the employment of process, or any act (whether in law or equity, in any judicial, administrative, arbitral or other proceeding), to collect, recover or offset any Lien of which the Acquired Assets are sold free and clear; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order with respect to an Lien in respect of the Acquired Assets, (c) creating, perfecting or enforcing any Lien in respect of the Acquired Assets, or (d) asserting any setoff (except for setoffs validly exercised before the Closing) or right of subrogation of any kind with respect to a Lien in respect of the Acquired Assets, in each case as against the Purchaser, any of its Affiliates or subsidiaries, or any of their respective Representatives, or any of their respective Acquired Assets or assets, including the Acquired Assets.

31. The Transactions contemplated by the Agreement and the Transaction Documents do not cause there to be, and there is not (a) a consolidation, merger, or *de facto* merger of the Purchaser, on the one hand, with or into the Debtors or the Debtors' estates, on the other

hand, or vice versa, (b) a substantial continuity between the Purchaser, on the one hand, and the Debtors or the Debtors' estates, on the other hand, (c) a common identity between the Purchaser, on the one hand, and the Debtors or the Debtors' estates, on the other hand, or (d) a mere continuation of the Debtors or their estates, on the one hand, with the Purchaser, on the other hand, including, in the case of each of (a)-(d) without limitation, (i) within the meaning of any foreign, federal, state or local revenue law, pension law, the Employee Retirement Income Security Act, the Consolidated Omnibus Budget Reconciliation Act, the WARN Act (29 U.S.C. §§ 2101 et seq.) ("WARN"), Comprehensive Environmental Response Compensation and Liability Act ("CERCLA"), the Fair Labor Standard Act, Title VII of the Civil Rights Act of 1964 (as amended), the Age Discrimination and Employment Act of 1967 (as amended), the Federal Rehabilitation Act of 1973 (as amended), the National Labor Relations Act, 29 U.S.C. § 151, et seq. or (ii) in respect of (1) any environmental liabilities, debts, claims or obligations arising from conditions first existing on or prior to the Closing Date (including, without limitation, the presence of hazardous, toxic, polluting, or contaminating substances or wastes), which may be asserted on any basis, including, without limitation, under CERCLA, (2) any liabilities, penalties, costs, debts or obligations of or required to be paid by the Debtors for any taxes of any kind for any period, labor, employment, or other law, rule or regulation (including, without limitation, filing requirements under any such laws, rules or regulations), or (3) any products liability law or doctrine with respect to the Debtors' liability under such law, rule or regulation or doctrine.

32. Except to the extent expressly set forth in the Agreement, including with respect to the Assumed Liabilities, the transfer of the Acquired Assets, including, without limitation, the assumption, assignment and transfer of any Assigned Contract, to the Purchaser shall not cause or result in, or be deemed to cause or result in, the Purchaser, any of its Affiliates

or subsidiaries, or any of their respective Representatives, having any liability, obligation, or responsibility for, or any Acquired Assets being subject to or being recourse for, any Lien arising prior to the Closing whatsoever, whether arising under any doctrines of successor, transferee or vicarious liability, breach of fiduciary duty, aiding or abetting breach of fiduciary duty or otherwise, whether at Law or in equity, directly or indirectly, and whether by payment, setoff (except for setoffs validly exercised before the Closing), or otherwise.

33. For the avoidance of doubt, notwithstanding the consummation of the Transactions and the employment by the Purchaser of certain persons previously employed by the Debtors, (a) except as expressly set forth in the Agreement, the Purchaser shall not have any obligations or liabilities to any employee of the Debtors or in respect of any employee benefits owing to any employee of the Debtors by the Debtors or by any plan or program administered by the Debtors or for the benefit of the Debtors' employees, and (b) any obligations of the Purchaser to any such Person shall be expressly limited to (i) those obligations owing to any employee solely as a result of the Purchaser's employment of such employee following the Closing Date; (ii) those obligations expressly agreed upon by the Purchaser with such Person; and (iii) those obligations explicitly assumed by the Purchaser under the Agreement.

#### **Good Faith**

34. The Transactions contemplated by this Sale Order, the Agreement and Transaction Documents are undertaken by the Purchaser 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 and other Transactions shall not alter, affect, limit, or otherwise impair the validity of the Sale or such other Transactions (including the assumption, assignment and/or transfer of the Assigned Contracts),

unless such authorization and consummation are duly stayed pending such appeal. The Purchaser is a good faith purchaser within the meaning of Section 363(m) of the Bankruptcy Code and, as such, is entitled to, and hereby granted, the full rights, benefits, privileges and protections of Section 363(m) of the Bankruptcy Code. The protections provided afforded by Bankruptcy Code 363(m) are integral to the Sale and the Purchaser would not consummate the Sale without such protections.

35. Neither the Debtors nor the Purchaser have engaged in any action or inaction that would cause or permit the Sale to be avoided or costs or damages to be imposed under Section 363(n) of the Bankruptcy Code. The consideration provided by the Purchaser for the Acquired Assets under the Agreement is fair and reasonable and the Sale may not be avoided, and costs and damages may not be imposed, under Section 363(n) of the Bankruptcy Code.

#### **Other Provisions**

36. Nothing in this Sale Order or the Agreement releases, nullifies, precludes or enjoins the enforcement of any police or regulatory liability to a governmental unit that any entity would be subject to as the post-sale owner, lessee, or operator of property after the date of entry of this Sale Order. Nothing in this Sale Order or the Agreement authorizes the transfer or assignment of any governmental (a) license, (b) permit, (c) registration, (d) authorization, (e) certification, or (f) approval, or the discontinuation of any obligation thereunder, without compliance with all applicable legal requirements and approvals under police or regulatory law. Nothing in this Sale Order divests any tribunal of any jurisdiction it may have under police or regulatory law to interpret this Sale Order or to adjudicate any defense asserted under this Sale Order.

37. Notwithstanding anything to the contrary in the Agreement or in this Sale Order, until the earlier of the closure of these cases and three (3) years after the Closing Date, Purchaser will use commercially reasonable efforts to not dispose of or destroy any of the records received as Acquired Assets and will allow the Debtors and any successor thereto and any of their respective directors, officers, employees, counsel, advisors, Representatives, accountants and auditors reasonable access during normal business hours, upon reasonable advance notice, to any record included in the Acquired Assets for the purposes relating to these cases, the wind-down of the operations and the implementation of any plan of liquidation following the Sale Closing.

38. Nothing contained in any plan of reorganization or liquidation, or order of any type or kind entered in (a) these chapter 11 cases, (b) any subsequent chapter 7 case into which any such chapter 11 case may be converted, or (c) any related proceeding subsequent to entry of this Sale Order, shall conflict with or derogate from the provisions of the Agreement or the terms of this Sale Order. To the extent of any such conflict or derogation, the terms of this Sale Order shall govern.

39. All privileges, protections, confidentiality, and immunities (including, without limitation, the attorney-client privilege and the attorney work product doctrine) shall remain in effect as to any privileged information arising from or reflecting communications between and among any of the Debtors or their subsidiaries (including any one or more officers, directors, employees or stockholders), on the one hand, and its or their internal or external counsel, on the other hand, and shall not be waived or in any way impaired. In the event the Purchaser becomes aware that it has received any attorney-client or otherwise privileged information from the Debtors as set forth herein, the Purchaser shall maintain the confidentiality of such information and immediately delete and destroy it.

40. The Debtors and the Purchaser are authorized and empowered to cause to be filed with the secretary of state of any state or other applicable officials of any applicable governmental units, any and all certificates, agreements, or amendments necessary or appropriate to effectuate the Sale contemplated by the Stalking Horse Agreement, any related agreements and this Sale Order, including, in the case of the Purchaser, the filing of any proxies of or on behalf of the Debtors. As the Acquired Assets include the current trade names and corporate names of the Debtors, upon the Closing of the Sale, the Debtors are authorized to (i) file the appropriate documentation with the Secretary of State for Delaware to change their names; and (ii) submit a proposed form of order pursuant to Bankruptcy Rule 1005 under certification of counsel seeking to change the names and to modify of the caption of these chapter 11 cases.

41. Pursuant to Bankruptcy Rules 6004(h) and 6006(d), this Sale Order shall not be stayed after the entry hereof, but shall be effective and enforceable immediately upon entry, and the 14-day stay provided in Bankruptcy Rules 6004(h) and 6006(d) is hereby expressly waived and shall not apply. Accordingly, the Debtors are authorized and empowered to close the Sale and other Transactions immediately upon entry of this Sale Order.

42. Nothing in this Sale Order shall modify or waive any closing conditions, post-closing covenants or termination rights in Articles III and VI of the Agreement, and all such conditions and rights shall remain in full force and effect in accordance with their terms.

43. No bulk sales law or any similar law of any state or other jurisdiction applies in any way to the Transactions. Except as otherwise expressly provided in the Agreement, all obligations of the Debtors relating to taxes, whether arising under any law, by the Agreement, or otherwise, shall be the obligation of and fulfilled and paid by the Debtors.

44. All payment or reimbursement obligations of the Sellers owed to the Purchaser pursuant to the Agreement, or the Transaction Documents shall be paid solely in accordance with the terms thereof and in the manner provided therein, without further notice to or order of this Court. All such obligations shall constitute allowed superpriority administrative claims against the Debtors in accordance with the Agreement and Sections 503(b) and 507(a)(2) of the Bankruptcy Code. Until satisfied in full in cash, all such obligations shall continue to have the protections provided in this Sale Order, and shall not be discharged, modified, or otherwise affected by any reorganization plan for the Debtors.

45. Pursuant to Section 1107(a) of the Bankruptcy Code, the Debtors, in their capacity as debtors-in-possession in the chapter 11 cases, are the “trustee” of the Debtors’ estates for purposes of state, local, or municipal law or regulation applicable to the transfer of any Permit (as defined below) to the Purchaser. The Debtors’ officers shall be authorized to, and hereby have the authority to, execute, on behalf of the Debtors and all other current holders of the Permits (if any), all documents and forms required by any applicable authorities, to transfer the Permits to the Purchaser, subject to approval by such authorities, as applicable. The Purchaser or the Debtors’ officers are further authorized to submit a copy of this Sale Order with any such transfer application to establish such authority for purposes of any state, local, municipal law or regulation applicable to the transfer of any Permit to the Purchaser. All existing Permits applicable to the business shall remain in place for Purchaser’s benefit until either new Permits are obtained or existing Permits are transferred in accordance with applicable administrative procedures. The Debtors shall reasonably cooperate with the Purchaser prior to Closing in connection with Purchaser’s efforts to transfer or obtain new Permits.

46. To the fullest extent provided by Section 525 of the Bankruptcy Code, no governmental authority may deny, revoke, suspend, or refuse to renew any permit, license, registration, governmental authorization or approval or similar grant (each a “Permit”) relating to the operation of the Acquired Assets sold, transferred, or conveyed to the Purchaser on account of the filing or pendency of the chapter 11 cases or the consummation of the Transactions contemplated by the Agreement and the Transaction Documents. To the maximum extent permitted under applicable law, the Purchaser shall be authorized, as of the Closing, to operate under any Permit of the Debtors, including those listed on Schedule 4.6(c) of the Agreement, with respect to the Acquired Assets, and all such Permits are deemed to have been, and hereby are directed to be transferred to the Purchaser, with respect to the Acquired Assets as of the Closing. To the extent the Purchaser cannot operate under any such Permit in accordance with the previous sentence, such licenses, permits, registrations and governmental authorizations and approvals shall be in effect while the Purchaser, with assistance from the Debtors (and at the Purchaser’s sole cost and expense), works promptly and diligently to apply for and secure all necessary government approvals for new issuance of such Permits to the Purchaser.

47. No governmental unit (as defined in section 101(27) of the Bankruptcy Code) or any representative thereof may deny, revoke, suspend or refuse to renew a Permit relating to the operation of the Acquired Assets on account of the filing or pendency of these chapter 11 cases or the consummation of the Sale to the extent that any such action by a governmental unit or any representative thereof would violate section 525 of the Bankruptcy Code.

48. The failure specifically to include any particular provision of the Agreement in this Sale Order shall not diminish or impair the effectiveness of such provision, it being the

intent of this Court that the Agreement and Transaction Documents be authorized and approved in their entirety.

49. The Debtors are authorized to require all counterparties to the Assigned Contracts to cooperate with the reasonable requests of the Purchaser and shall not charge the Debtors or the Purchaser for any instruments, applications, consents or other documents that 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 Acquired Assets.

50. No governmental unit may revoke or suspend any right, license, copyright, patent, trademark or other permission relating to the use of the Acquired Assets sold, transferred or conveyed to the Purchaser on account of the filing or pendency of these chapter 11 cases or the consummation of the Sale of the Acquired Assets.

51. The Debtors are authorized to require all entities that are presently, or on the Closing may be, in possession of some or all of the Acquired Assets to surrender possession of the Acquired Assets to the Purchaser, on or prior to the Closing or such later date that such party and the Purchaser mutually agree.

52. The Agreement and Transaction Documents may be modified, amended or supplemented in a writing signed by the parties thereto and in accordance with the terms thereof, without further notice to or order of this Court, *provided that* any such modification, amendment or supplement shall not have a material adverse effect on the Debtors' estates unless approved by order of this Court.

53. At any time prior to the Closing, the Purchaser or the Debtors may terminate the Agreement pursuant to the terms thereof without any penalty or liability to the Purchaser or the Debtors (or their estates), except as set forth in the Agreement.

54. The provisions of this Sale Order are non-severable and mutually dependent.

55. For the avoidance of doubt, nothing in this Sale Order shall constitute, pursuant to 1146(a), the grant of a tax exemption under a plan confirmed under Section 1129 or 1191 of the Bankruptcy Code.

56. This Court retains jurisdiction, pursuant to its statutory powers under 28 U.S.C. § 157(b), to, among other things, (i) interpret, implement, and enforce the terms and provisions of this Sale Order, the Agreement, the Transaction Documents, and any amendments thereto and any waivers and consents given thereunder, (ii) adjudicate, if necessary, any and all disputes concerning or relating in any way to the Sale, (iii) compel delivery of the Acquired Assets to the Purchaser; (iii) enforce the injunctions and limitations of liability set forth in this Sale Order and (iv) enter any orders under Sections 363 and 365 of the Bankruptcy Code with respect to the Assigned Contracts.

57. All time periods set forth in this Sale Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

58. The automatic stay pursuant to Section 362 of the Bankruptcy Code is hereby vacated, modified, and terminated with respect to the Debtors to the extent necessary, without further order of the Court, (i) to allow the Purchaser to give the Debtors any notice provided for in the Agreement, (ii) to allow the Purchaser to take any and all actions permitted by the Agreement in accordance with the terms and conditions thereof, including, without limitation, effectuating the Sale and the other transactions contemplated by the Agreement and (iii) to otherwise implement the terms and provisions of the Agreement and this Sale Order. The automatic stay imposed by Section 362 of the Bankruptcy Code is modified solely to the extent

necessary to implement the preceding sentence and the other provisions of the Agreement and this Sale Order, and this Court shall retain exclusive jurisdiction over any and all disputes with respect thereto.

59. To the extent that this Sale Order is inconsistent with any prior order or pleading with respect to the Motion, the terms of this Sale Order shall govern. To the extent there are any inconsistencies between the terms of this Sale Order or the Bid Procedures Order, on the one hand, and the Agreement or any Transaction Document, on the other hand, the terms of this Sale Order and the Bid Procedures Order shall govern, as applicable.

**IT IS SO ORDERED**