

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

In re

ROYAL INTERCO, LLC, *et. al.*,

Debtors.¹

Chapter 11

Case No. 25-10674 (____)

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 Debtors and Sofidel America Corp. (the "Stalking Horse Bidder"), subject to the solicitation of

¹ The Debtors in these cases, along with the last four digits of each Debtor's federal EIN, are as follows: Royal Interco, LLC (7913); Doubletree Paper Mills, L.L.C. (1830); Royal Paper, LLC (9937); and Sun Paper Company, LLC (7899). The Debtors' mailing address is 711 North 17th Avenue, Phoenix, AZ 85007.

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, "Encumbrances"); (ii) authorizing the assumption and assignment of certain executory contracts and unexpired leases; and (iii) granting related relief. In support of this Motion, the Debtors rely upon and incorporate by reference the *Declaration of Michael Ragano 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	Five (5) business days after the Petition Date
Bid Procedures Hearing	May 1, 2025
Sale Objection Deadline	May 12, 2025, at 4:00 p.m. (ET)
Bid Deadline	May 12, 2025, at 4:00 p.m. (ET)
Deadline to Designate Qualified Bids	May 14, 2025
Auction	May 15, 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 and Objection to Assumption or Cure Amount (If Winning Bidder is Different Than Stalking Horse Bidder)	May 19, 2025, at 11:59 p.m. (ET)
Sale Hearing	May 20, 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. Pursuant to Rule 9013-1(f) of the *Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware* (the “Local Rules”), the Debtors consent to the entry of a final order with respect to this Motion if it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments 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 April 8, 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. On January 31, 2025, the Debtors' investment banker, Livingstone Partners LLC ("Livingstone") commenced outreach to potential buyers with a one-page teaser introducing the opportunity and inviting potential buyers to enter into a confidentiality agreement ("NDA") with the Debtors to receive access to additional information. During the prepetition marketing process, Livingstone contacted approximately 159 potential buyers, of which 70 executed NDAs. Potential buyers that executed NDAs received access to a confidential information presentation (the "CIP") that contained a detailed overview of the Debtors' business operations, assets, commercial arrangements, and historical financial results. Additionally, these potential buyers received access to an online data room that contained hundreds of unique documents and diligence materials, and potential buyers were given the opportunity to request specific diligence items, which were provided on a rolling basis into the data room. Livingstone maintained a dialogue with these potential buyers throughout the process and facilitated discussions between potential buyers and the Debtors' management. Seven potential buyers completed site visits to the Debtors' manufacturing facilities, which were accompanied by Livingstone, Novo and the Debtors' management.

6. This initial stage of the marketing process culminated in the receipt of 14 non-binding indications of interest ("IOIs") as of March 12, 2025. After reviewing the IOIs, the Debtors and Livingstone engaged with each potential buyer to discuss the terms of each potential bid. The potential bids 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 IOIs. 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 Sofidel America Corp. (the “Stalking Horse Bidder”), setting the floor for other potential bids to acquire certain assets during these chapter 11 cases. Under the April 8, 2025 asset purchase agreement between the Debtors and the Stalking Horse (as modified from time to time, the “Stalking Horse Agreement”) the Stalking Horse has committed, subject to Court approval, to acquire substantially all of the assets of the Debtors in exchange for (i)(A) the amount of One Hundred Twenty-Six Million US Dollars (US\$ 126,000,000) (the “Base Purchase Price”), plus (B) the Inventory Adjustment Amount, minus (C) the Sale Leaseback Adjustment, minus (D) the Cure Costs Adjustment Amount (the result of the foregoing calculation, the “Cash Purchase Price”) and (ii) the assumption by the Stalking Horse Bidder of the Assumed Liabilities including payment of the Cure Amounts (the “Stalking Horse Bid”).

8. 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, Livingstone 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.

9. 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 their assets.

10. 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

11. 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 \$3,780,000 (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 \$1,260,000 (the "Expense Reimbursement," together with the Break-Up Fee, the "Bid Protections"). Given the Debtors' need to maximize the value of the 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.

12. In accordance with Local Rule 6004-1(b), the pertinent terms of the Stalking Horse Agreement are summarized in the following table.² The Debtors respectfully submit that

² 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.

all terms of the Stalking Horse Agreement, including those required to be highlighted under Local 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.

<u>Term</u>	<u>Description</u>
Sellers:	Royal Interco, LLC, Royal Paper, LLC, Doubletree Paper Mills, L.L.C. and Sun Paper Company, LLC
Stalking Horse Bidder:	Sofidel America Corp.
Purchase Price:	(i)(A) the amount of One Hundred Twenty-Six Million US Dollars (US\$ 126,000,000) (the " <u>Base Purchase Price</u> "), plus (B) the Inventory Adjustment Amount, minus (C) the Sale Leaseback Adjustment, minus (D) the Cure Costs Adjustment Amount (the result of the foregoing calculation, the " <u>Cash Purchase Price</u> ") and (ii) the assumption by Purchaser of the Assumed Liabilities including payment of the Cure Amounts.
Acquired Assets:	The Acquired Assets are set forth in Section 2.1 of the Stalking Horse Agreement and include, among other things, all interests in Real Property, all inventory, equipment and machinery, intellectual property, Assigned Contracts, causes of action relating to the Acquired Assets, prepaid items relating to the Business or the Acquired Assets, and all Accounts Receivable arising after the Closing Date.
Excluded Assets:	The Excluded Assets are set forth in Section 2.2 of the Stalking Horse Agreement and include, among other things, cash, all Accounts Receivable arising and in existence on or before the Closing Date, and all Estate Causes of Action.
Assumed Liabilities:	The Assumed Liabilities are set forth in Section 2.3 of the Stalking Horse Agreement and include, among other things, (a) all (i) Cure Amounts and (ii) Liabilities arising after the Closing Date, in each case with respect to the Assigned Contracts and (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.

Excluded Liabilities:	The Excluded Liabilities are set forth in Section 2.4 of the Stalking Horse Agreement and include, among other things, Liabilities relating to Business or Acquired Assets (except as expressly indicated as an Assumed Liability), employment and termination of employees of Sellers with respect to the period ending at Closing, any Employee Benefit Plan, accounts payable, Seller's Indebtedness, certain taxes and Liabilities arising under Environmental Laws.
<u>Rule</u>	<u>Disclosure/Location</u>
Sale to Insider <i>Local Bankr. R. 6004-1(b)(iv)(A)</i>	Not applicable.
Agreements with Management <i>Local Bankr. R. 6004-1(b)(iv)(B)</i>	Not applicable.
Releases <i>Local Bankr. R. 6004-1(b)(iv)(C)</i>	The Stalking Horse Agreement does not provide any releases for the Sellers or the Purchaser.
Private Sale/No Competitive Bid <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.
Closing and Other Deadlines <i>Local Bankr. R. 6004-1(b)(iv)(E)</i> Stalking Horse Agreement, § 3.1	The Debtors' proposed timeline for the sale process in these chapter 11 cases is set forth on pages 2-3, <i>supra</i>. 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 by means of a virtual closing through electronic exchange of documents and signatures on the first (1st) Business Day of the week following the date that is the third (3rd) Business Day after the day on which all of the conditions to closing set forth in Article III of the Stalking Horse Agreement are satisfied or waived (other than conditions that are intended to be satisfied at the Closing), or at such other date, time or place as the Parties may agree.
Good Faith Deposit <i>Local Bankr. R. 6004-1(b)(iv)(F)</i> Stalking Horse Agreement, § 2.6(b)	US\$12,600,000

Interim Arrangements with Stalking Horse Bidder <i>Local Bankr. R. 6004-1(b)(iv)(G)</i>	The Debtors are not entering into any interim arrangements with the Stalking Horse Bidder.
Use of Proceeds <i>Local Bankr. R. 6004-1(b)(iv)(H)</i>	Not Applicable
Tax Exemption <i>Local Bankr. R. 6004-1(b)(iv)(I)</i>	Not Applicable
Record Retention <i>Local Bankr. R. 6004-1(b)(iv)(J)</i> Stalking Horse Agreement, § 2.1(h)	Section 2.1(h) of the Stalking Horse Agreement provides that the Books and Records are Acquired Assets; <i>provided</i> that Sellers shall be entitled to retain a copy of such Books and Records solely for use in connection with each Seller's wind-down of their Estates, subject to customary confidentiality obligations.
Sale of Avoidance Actions <i>Local Bankr. R. 6004-1(b)(iv)(K)</i> Stalking Horse Agreement, § 2.2(k)	Section 2.2(k) of the Stalking Horse Agreement provides that all Avoidance Actions are Excluded Assets.
Successor Liability <i>Local Bankr. R. 6004-1(b)(iv)(L)</i>	The Sale Order provides that the parties intend that the Stalking Horse Bidder is not a mere continuation of the Debtor or its estate, and that the Stalking Horse Bidder shall not have any successor liability of any kind or character.
Sale Free and Clear of Unexpired Leases <i>Local Bankr. R. 6004-1(b)(iv)(M)</i>	None
Credit Bid <i>Local Bankr. R. 6004-1(b)(iv)(N)</i>	The Bid Procedures seek to permit the Agents and Lenders (each as defined in the Bid Procedures) to credit bid the full amount of the Aggregate Debt (as defined in the interim and final orders authorizing the Debtors to obtain postpetition financing and use of cash collateral (the " <u>DIP Orders</u> ") outstanding under the applicable credit agreement as of the Closing Date on a dollar-for-dollar basis in accordance with section 363(k) of the Bankruptcy Code.
Relief from Bankruptcy Rule 6004(h)	The Debtors seek a waiver of the 14-day stays under Bankruptcy Rules 6006(d) and 6004(h), as described in more detail below.

Local Bankr. R. 6004- 1(b)(iv)(O)	
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B. Bid Procedures Order

13. 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 Sofidel America Corp. 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

14. 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 the Debtors' advisors, entered into the Stalking Horse Agreement to provide a floor for a bid on the Debtors' assets. The Bid Procedures would provide 34 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, Livingstone will continue the marketing process as described in Sections 5-8 herein and in more detail in the First Day Declaration. The Debtors, in consultation with the Debtors' advisors, entered into the Stalking Horse Agreement to provide a floor for a bid on the Debtors' assets.

15. 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 executory contracts and unexpired 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.

16. 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 bids³:

- 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, and Livingstone an executed confidentiality agreement substantially in the form previously sent to Agents’ counsel on March 7, 2025 (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 to disclose to such Potential Bidder any trade secrets, proprietary

³ 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.

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, after consultation with the Consultation Parties, determine at any time in their reasonable discretion 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 May 12, 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, in consultation with the Consultation Parties, may reasonably determine, 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 Kurtzman Carson Consultants, LLC dba Verita Global (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 \$500,000; 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");
- 4) 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;

- 5) 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;
- 6) 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;
- 7) contain a description of how the Potential Bidder intends to treat the Debtors’ current employees;
- 8) provide a commitment to close by June 13, 2025;
- 9) not be conditioned on any contingency, including unperformed due diligence, obtaining financing, obtaining third-party consents, or any internal approval;
- 10) 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;
- 11) 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;
- 12) 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;

- 13) contain written evidence satisfactory to the Debtors, after 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;
- 14) 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 after consultation with Agent);
- 15) 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;
- 16) constitute a good faith, bona fide offer to effectuate the proposed transaction;
- 17) include a written acknowledgement by such Potential Bidder that it agrees to all of the terms for sale set forth in the Bid Procedures;
- 18) include an agreement to provide any other information reasonably requested by the Debtors; and
- 19) be received by the Bid Deadline.

- d. **Qualified Bidder.** A qualified bidder ("Qualified Bidder") is a Potential Bidder that, in the Debtors' reasonable determination, after 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, after 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, (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 and (iv) Agents and Lenders (and any of their designees) are Qualified Bidders.

17. 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.

18. 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, Notice Parties and Consultation Parties of the highest acceptable Qualified Bid, as determined by the Debtors in their reasonable discretion after consultation with the Consultation Parties (the “Baseline Bid”). The Debtors’ determination of which Qualified Bid constitutes the Baseline Bid, in consultation with the Consultation Parties, 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 May 15, 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.
- 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, 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, after 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. The Debtors and their professionals will consult in good faith with the Consultation Parties throughout the Auction process.

During the Auction, bidding will begin initially with the Baseline Bid and subsequently continue in minimum increments of at least \$500,000 (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 accordance with the Bid Procedures; *provided*, however, that no portion of the consideration may include non-cash consideration without the prior written consent of Agents (acting at the direction of the requisite Lenders)

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, after consultation with the Consultation Parties, will provide notice to each participant of the value ascribed by the Debtors to any such added, deleted, or modified provision or provisions, with such value being determined by the Debtors in their reasonable discretion, after 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.

19. 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, in consultation with the Consultation Parties, 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

20. 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

21. The Debtors are seeking approval of the Designation Procedures for notifying counterparties to executory contracts and unexpired leases of proposed Cure Amounts (as defined below) and the timing of assumption and assignment or rejection with respect to those executory contracts and unexpired leases (the "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 the date that is five (5) business days 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 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 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 overnight mail (or by electronic mail, if available) no later than five (5) business days 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) days after the Bid Deadline, the Debtors shall serve on affected counterparties and their respective known counsel by electronic mail (if available) or overnight 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 May 19, 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.

22. 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

23. 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 to the data room and have 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 Debtors' assets.

24. **Notice of Sale Hearing.** Within five (5) days of 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").

25. **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

26. The Debtors request that this Court set the Sale Hearing for a date that is not later than May 20, 2025. At the Sale Hearing, the Debtors intend to seek entry of the Sale Order approving the Sale free and clear of all Encumbrances 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.

27. 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.

28. 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).

29. 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.”).

30. 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.”).

31. 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 their assets is the highest and best the market can generate.

32. 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.

33. 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 their 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.

34. 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.

35. Similar bidding, auction and notice procedures have been previously approved by this Court in other chapter 11 cases. *See, e.g., In re Dermitech, Inc.*, 24-11378 (JTD) (Bankr. D. Del. 2024); *In re Vyair Medical, Inc.*, 24-11217 (BLS) (Bankr. D. Del. 2024); *In re MRRC Hold Co.*, 24-11164 (CTG) (Bankr. D. Del. 2024); *In re Coach USA, Inc.*, 24-11258 (MFW) (Bankr. D. Del. 2024); *In re Ambri Inc.*, 24-10952 (LSS) (Bankr. D. Del. 2024); *In re Near Intelligence, Inc.*, 23-11962 (TMH) (Bankr. D. Del. 2023). *In re Tuscany Int'l Holdings (U.S.A.) LTD.*, Case No. 14-10193 (KG) (Bankr. D. Del. Mar. 21, 2014); *In re Oncure Holdings, Inc.*, Case No. 13-11540 (KG) (Bankr. D. Del. July 24, 2013); *In re Protostar Ltd.*, Case No. 09-12659

(MFW) (Bankr. D. Del. Aug. 24, 2009); *In re Midway Games Inc.*, Case No. 09-10465 (KG) (Bankr. D. Del. June 3, 2009).

36. 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.

37. 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 arms' 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 Assets that maximizes the likelihood that the Debtors will receive the highest acceptable offer for the Assets to the benefit of the Debtors' estates.

38. 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 (9) 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.

39. 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 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 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 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 auction for the Assets could be substantially lower than the bid offered by the Stalking Horse Bidder.

40. 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).

41. 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).

42. 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.

43. 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).

44. 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).

45. 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).

46. 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).

47. 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.

48. 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).

49. 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 executory contracts and unexpired 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.

50. 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.

51. The Debtors submit that the assumption and assignment of executory contracts and unexpired leases to the Contract Party or 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.

52. Counterparties to the Debtors' executory contracts and unexpired 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).

53. 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. The Proposed Notice is Appropriate Under Bankruptcy Rule 2002.

47. 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.

48. 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

49. The Debtors will provide notice of this Motion to: (a) the Office of the United States Trustee for the District of Delaware; (b) each of the Debtors’ creditors holding the thirty (30) largest unsecured claims as set forth in the list filed with the Debtors’ petitions; (c) the Securities and Exchange Commission; (d) the Internal Revenue Service; (e) the United States Department of Justice; (f) entities known to have expressed a bona fide interest in a transaction with respect to the Acquired Assets; (g) all entities known to have asserted any lien, claim or encumbrance in or upon any of the Acquired Assets; (h) 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 (i) 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.

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: April 8, 2025
Wilmington, Delaware

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

/s/ Robert J. Dehney, Sr.

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*Proposed Counsel to the Debtors and
Debtors in Possession*

EXHIBIT A

Proposed Bid Procedures Order

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

In re

ROYAL INTERCO, LLC, *et. al.*,

Debtors.¹

Chapter 11

Case No. 25-10674 (____)

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")² of the debtors and debtors in possession (the "Debtors") in the above-captioned jointly administered chapter 11 cases, for entry of an 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 Bankruptcy Practice and Procedure 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 of the Bankruptcy Code, authorizing and approving the Debtors'

¹ The Debtors in these cases, along with the last four digits of each Debtor's federal EIN, are as follows: Royal Interco, LLC (7913); Doubletree Paper Mills, L.L.C. (1830); Royal Paper, LLC (9937); and Sun Paper Company, LLC (7899). The Debtors' mailing address is 711 North 17th Avenue, Phoenix, AZ 85007.

² Capitalized terms not defined herein are defined in the Motion.

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 Sofidel America Corp. (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 and expenses incurred 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, arms-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. Entry of this Order is in the best interests of the Debtors’ estates, their creditors and all other interested parties.

N. 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 section 507(b) 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 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 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: May 12, 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: May 15, 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, Wilmington, DE 19801; *provided, however*, that the Debtors, in their discretion, 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 Sofidel America Corp., 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 the Chapter 11 Cases pursuant to section 507(b) 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 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.

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 **May 20, 2025 at _:00 .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 **May 12, 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, 711 N. 17th Avenue, Phoenix, AZ 85007, Attn: Michael Ragano (mragano@novo-advisors.com) and Dustin Bernstein (dbernstein@novo-advisors.com); (b) proposed counsel to the Debtors, Morris, Nichols, Arsht & Tunnell LLP, 1201 N. Market Street, 16th Floor, P.O. Box 1347, Wilmington, DE 19899-1347, Attn: Robert J. Dehney, Sr. (rdehney@morrisnichols.com); Matthew O. Talmo (mtalmo@morrisnichols.com); Scott D. Jones (sjones@morrisnichols.com); Clint M. Carlisle (ccarlisle@morrisnichols.com); and Brianna N. V. Turner (bturner@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: Linda J. Casey (Linda.Casey@usdoj.gov); (d) counsel to any official committee of unsecured creditors appointed in the cases (the “Committee”); (e) counsel to the Stalking Horse Bidder: (i) Cleary Gottlieb Steen & Hamilton LLP, One Liberty Plaza, New York NY 10006, Attn: Sean A. O’Neal (soneal@cgsh.com) and Thomas Kessler (tkessler@cgsh.com) and (ii) Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, DE 19801, Attn: Sean T. Greecher (sgreecher@ycst.com); and (f) counsel to NXT Capital, LLC: (i) Goldberg

Kohn, 55 E Monroe St, Suite 3300. Chicago, IL 60603, Attn: Randall Klein (randall.klein@goldbergkohn.com); Prisca Kim (prisca.kim@goldbergkohn.com); and Eva D. Gadzheva (eva.gadzheva@goldbergkohn.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; and (i) all parties entitled to notice pursuant to Bankruptcy Rule 2002-1.

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 Contract Party (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 overnight 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 overnight 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 May 19, 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, 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).

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. 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.

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

29. 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.

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

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

32. 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 April 8, 2025, Royal Interco, LLC, Royal Paper, LLC, Doubletree Paper Mills, L.L.C. and Sun Paper Company, 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. 25-10674 (___), 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”)⁵ entered into by and among the Debtors and Sofidel America Corp. (the “Stalking Horse Bidder”), substantially in the form attached to the Sale Motion as Exhibit [•], 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 in (i)(A) the amount of One Hundred Twenty-Six Million US Dollars (US\$ 126,000,000) (the “Base Purchase Price”), plus (B) the Inventory Adjustment Amount, minus (C) the Sale Leaseback Adjustment, minus (D) the Cure Costs Adjustment Amount (the result of the forgoing calculation, the “Cash Purchase Price”) and (ii) the assumption by Purchaser of the Assumed Liabilities including payment of the Cure Amounts.

The Stalking Horse Agreement provides for payment of bid protections in the form of a break-up fee in the amount of Three Million Seven Hundred and Eighty Thousand US Dollars (US\$ 3,780,000) (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 US\$ 1,260,000 (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 NXT Capital, LLC, as administrative agent for the Debtors’ senior secured lenders (in such capacity, “Prepetition Agent”) and “Postpetition Agent” (as defined in the interim and final orders authorizing the Debtors to obtain postpetition financing and use of cash collateral (the “DIP Orders”), the “Postpetition Agent”; together with Prepetition Agent, the “Agents”), each “Lender” (as defined in the Credit Agreement⁶, the “Prepetition Lenders”) and each “Postpetition Lender” (as defined in the DIP Orders, the “Postpetition Lenders”; together with the Prepetition Lenders, the “Lenders”) (the

⁵ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Stalking Horse Agreement.

⁶ Certain of the Sellers, as borrowers, the Agent and the Lenders are parties to that certain Credit Agreement dated as of June 15, 2018 (as amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”).

Agents and Lenders are 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, 711 N. 17th Avenue, Phoenix, AZ 85007, Attn: Michael Ragano (mragano@novo-advisors.com) and Dustin Bernstein (dbernstein@novo-advisors.com); (b) counsel to the Debtors: Morris, Nichols, Arsht & Tunnell LLP (“Morris Nichols”), 1201 N. Market Street, 16th Floor, P.O. Box 1347, Wilmington, DE 19899-1347, Attn: Robert J. Dehney, Sr. (rdehney@morrisnichols.com); Matthew O. Talmo (mtalmo@morrisnichols.com); Clint M. Carlisle (ccarlisle@morrisnichols.com); and Grace E. Venit (gvenit@morrisnichols.com); (c) Livingstone Partners LLC (“Livingstone”), 443 North Clark St, Chicago, IL 60654, Attn: Joseph Greenwood (greenwood@livingstonepartners.com) and Adam Green (green@livingstonepartners.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: Linda J. Casey (Linda.Casey@usdoj.gov); and (e) counsel to NXT Capital, LLC: (i) Goldberg Kohn, 55 E Monroe St, Suite 3300, Chicago, IL 60603, Attn: Randall Klein (randall.klein@goldbergkohn.com); Prisca Kim (prisca.kim@goldbergkohn.com); and Eva Gadzheva (eva.gadzheva@goldbergkohn.com); and (ii) Richards Layton & Finger, 920 N. King Street, Wilmington, Delaware 19801, Attn: John Knight (knight@rlf.com) and Paul Heath (heath@rlf.com); and (f) counsel to the Committee.

Key Dates

Event	Deadline
Deadline for Debtors to File Notice of Proposed Cure Amounts and Adequate Assurance	Five (5) business days after the Petition Date
Bid Procedures Hearing	May 1, 2025
Sale Objection Deadline	May 12, 2025, at 4:00 p.m. (ET)
Bid Deadline	May 12, 2025, at 4:00 p.m. (ET)
Deadline to Designate Qualified Bids	May 14, 2025
Auction	May 15, 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 and Objection to Assumption or Cure Amount (If Winning Bidder is Different Than Stalking Horse Bidder)	May 19, 2025, at 11:59 p.m. (ET)
Sale Hearing	May 20, 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 Livingstone an executed

confidentiality agreement substantially in the form previously sent to Agents' counsel on March 7, 2025 (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, after consultation with the Consultation Parties, determine at any time in their reasonable discretion 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")⁷ to purchase some or all of the Debtors' assets by May 12, 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, in consultation with the Consultation Parties, may reasonably determine, 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 Kurtzman Carson Consultants, LLC dba Verita Global (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

⁷

Promptly (and in any event within 1 business day after receipt), Debtors will provide all Bids (and all related materials) to the Agents.

Agreement; (iii) the Bid Protections, and (iv) the minimum bid increment of \$500,000; 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”);

- 4) 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;
- 5) 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;
- 6) 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;
- 7) contain a description of how the Potential Bidder intends to treat the Debtors’ current employees;
- 8) provide a commitment to close by June 13, 2025;
- 9) not be conditioned on any contingency, including unperformed due diligence, obtaining financing, obtaining third-party consents, or any internal approval;
- 10) 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;
- 11) include (i) 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;
- 12) 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;

- 13) contain written evidence satisfactory to the Debtors, after 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;
- 14) 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 after consultation with Agents);
- 15) 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;
- 16) constitute a good faith, bona fide offer to effectuate the proposed transaction;
- 17) include a written acknowledgement by such Potential Bidder that it agrees to all of the terms for sale set forth in these Bid Procedures;
- 18) include an agreement to provide any other information reasonably requested by the Debtors; and
- 19) 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, after 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, after 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.

Notwithstanding anything herein to the contrary, without any further action of any kind: (a) each Agent (and any designee of each Agent, including, without limitation, any entity that may be formed by or on behalf of any of the applicable Lenders and each Lender (and any designee of such Lender) may submit a Bid and, in connection with any such Bid, is, and will be deemed to be, a Qualified Bidder for all purposes under and in connection with these Bid Procedures and may credit bid all or any portion of the Prepetition Debt and the Postpetition Debt (each as defined in the DIP Orders) in accordance with applicable law, including, without limitation, at any Auction; (b) any credit bid made by any Agent or any Lender (or such designee) is, and will be deemed to be, a Qualified Bid in each instance and for all purposes under and in connection with the Bid Procedures and will be deemed to be, and will be evaluated by the Debtors, and the Consultation Parties as, a cash Qualified Bid; and (c) subject to the proviso at the end of this sentence, Agents, Lenders and such designees will not be subject to the terms and conditions of the section entitled “Bid Requirements”: clauses (2), (3), (9), (11), (12), (13), and (18); *provided*, however, that (x) such Agent or such Lender (or any designee thereof) submitting a credit bid will provide a Good Faith Deposit, provided that such Good Faith Deposit shall consist of a reduction in the applicable secured claim of such Agent or such Lender in the Cases and will not be payable in cash notwithstanding anything to the contrary in these Bid Procedures and (y) any such bid must provide for the payment in full in cash of the Bid Protections. These Bid Procedures are subject to the terms and provisions of the DIP Orders.

In the event that the Agent or any Lender (or such designee) submits a Bid and is still participating in the Auction process, the Agent or such Lender (or such designee) shall no longer be considered a Consultation Party with respect to the assets for which it has submitted a Bid; provided, that if any such party indicates in writing that it is no longer a bidder for such assets, such party shall thereafter be considered a Consultation Party.

“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 and with the prior written consent of Agent (acting at the direction of the Required Lenders (as defined in the Credit Agreement) 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 May 15, 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, 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 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.

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, Notice Parties and Consultation Parties of the highest acceptable Qualified Bid, as determined by the Debtors in their reasonable discretion after consultation with the Consultation Parties (the "Baseline Bid"). The Debtors' determination of which Qualified Bid constitutes the Baseline Bid, in consultation with the Consultation Parties, 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 Agent, 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 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, after 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. The Debtors and their professionals will consult in good faith with the Consultation Parties throughout the Auction process.

During the Auction, bidding will begin initially with the Baseline Bid and subsequently continue in minimum increments of at least \$500,000 (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 accordance with these Bid Procedures; *provided*, however, that no portion of the consideration may include non-cash consideration without the prior written consent of Agents (acting at the direction of the requisite Lenders pursuant to the Prepetition Credit Agreement and Postpetition Credit Agreement (each as defined in the DIP Orders)). 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, after consultation with the Consultation Parties, will provide notice to each participant of the value ascribed by the Debtors to any such added, deleted, or modified provision or provisions, with such value being determined by the Debtors in their reasonable discretion, after 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 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 determine, in consultation with the Consultation Parties, 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 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 May 20, 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 the 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, with the prior written consent of Agent acting at the direction of the Required Lenders (as defined in the Credit Agreement), in their reasonable discretion and subject to the exercise of their business judgment, 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.

Nothing herein or contemplated hereby constitutes, or will be deemed to constitute or otherwise result in, the consent or approval of Agent or any Lender to any sale of the Acquired Assets, any Bid, or to any agreement, motion, document or pleading relating thereto, or the waiver or modification of any of the terms of, or any rights under, any existing agreement, instrument or document, including, without limitation, any Loan Documents (as defined in the Credit Agreement) any Postpetition Documents (as defined in the DIP Orders, or any default arising thereunder or relating thereto. Any and all rights of such parties to object or otherwise oppose any sale of the Acquired Assets, any Sale Order, Bid, or any agreement or document related thereto are hereby expressly preserved and reserved.

EXHIBIT 2 To Bid Procedures Order

Cure Notice

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

In re

ROYAL INTERCO, LLC, *et. al.*,

Debtors.¹

Chapter 11

Case No. 25-10674 (___)

Joint Administration Requested

**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 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 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”)*², 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 Sofidel America Corp. (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 **May 1, 2025, at [•] [•].m. (ET)** before the Honorable [•], Bankruptcy Judge, United States Bankruptcy Court for the District of Delaware, 824 N. Market Street, [•]th Floor, Wilmington, Delaware 19801. At the hearing, the Debtors will seek entry of an order approving

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal EIN, are as follows: Royal Interco, LLC (7913); Doubletree Paper Mills, L.L.C. (1830); Royal Paper, LLC (9937); and Sun Paper Company, LLC (7899). The Debtors’ mailing address is 711 North 17th Avenue, Phoenix, AZ 85007.

² Capitalized terms not defined are defined in the Bid Procedures or Sale Motion.

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 [•], United States Bankruptcy Judge, on **May 20, 2025, at [•:••.m.] (Prevailing Eastern Time)**, in Courtroom [•] of the United States Bankruptcy Court for the District of Delaware, 824 Market Street, [•] Floor, 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”).³ 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 May 12, 2025** (the “Sale Objection Deadline”): (a) the Debtors, 711 N. 17th Avenue, Phoenix, AZ 85007, Attn: Michael Ragano (mragano@novo-advisors.com) and Dustin Bernstein (dbernstein@novo-advisors.com); (b) proposed counsel to the Debtors, Morris, Nichols, Arsht & Tunnell LLP, 1201 N. Market Street, 16th Floor, P.O. Box 1347, Wilmington, DE 19899-1347, Attn: Robert J. Dehney, Sr. (rdehney@morrisnichols.com); Matthew O. Talmo (mtalmo@morrisnichols.com); Scott D. Jones (sjones@morrisnichols.com); Clint M. Carlisle (ccarlisle@morrisnichols.com); and Brianna N. V. Turner (bturner@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: Linda J. Casey (Linda.Casey@usdoj.gov); (d) counsel to any official committee of unsecured creditors appointed in the cases (the “Committee”); (e) counsel to the Stalking Horse Bidder: (i) Cleary Gottlieb Steen

³ 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.

& Hamilton LLP, One Liberty Plaza, New York NY 10006, Attn: Sean A. O'Neal (soneal@cgsh.com) and Thomas Kessler (tkessler@cgsh.com) and (ii) Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, DE 19801, Attn: Sean T. Greecher (sgreecher@ycst.com); and (f) counsel to NXT Capital, LLC: (i) Goldberg Kohn, 55 E Monroe St, Suite 3300, Chicago, IL 60603, Attn: Randall Klein (randall.klein@goldbergkohn.com); Prisca Kim (prisca.kim@goldbergkohn.com); and Eva D. Gadzheva (eva.gadzheva@goldbergkohn.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 **May 19, 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/RoyalPaper>.

Dated: April [•], 2025
Wilmington, Delaware

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

/s/ DRAFT

Robert J. Dehney (No. 3578)
Matthew O. Talmo (No. 6333)
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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

ROYAL INTERCO, LLC, *et. al.*,

Debtors.¹

Chapter 11

Case No. 25-10674 (___)

Joint Administration Requested

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”)², 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 Sofidel America Corp. (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 OF “SUCCESSOR LIABILITY” FOR ANY LIENS, CLAIMS, ENCUMBRANCES AND OTHER INTERESTS ARISING BEFORE THE CLOSING DATE.

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal EIN, are as follows: Royal Interco, LLC (7913); Doubletree Paper Mills, L.L.C. (1830); Royal Paper, LLC (9937); and Sun Paper Company, LLC (7899). The Debtors’ mailing address is 711 North 17th Avenue, Phoenix, AZ 85007.

² Capitalized terms not defined herein are defined in the Bid Procedures or Sale Motion.

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 DEADLINES²

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 May 1, 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 **May 12, 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 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 **May 12, 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' Assets. The Auction will commence on **May 15, 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 in consultation with the Consultation Parties. 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 **May 19, 2025 at 11:59 p.m. (prevailing Eastern Time)** (the "Auction 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 **May 19, 2025 at 11:59 p.m. (prevailing Eastern Time)** (the "Supplemental Adequate Assurance Objection Deadline").

² 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 **May 20, 2025** before the Honorable [•], Bankruptcy Judge, United States Bankruptcy Court for the District of Delaware, at District of Delaware, at 824 Market Street North, [•]th Floor, 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/RoyalPaper>.

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) the Debtors, 711 N. 17th Avenue, Phoenix, AZ 85007, Attn: Michael Ragano (mragano@novo-advisors.com) and Dustin Bernstein (dbernstein@novo-advisors.com); (b) proposed counsel to the Debtors, Morris, Nichols, Arsht & Tunnell LLP, 1201 N. Market Street, 16th Floor, P.O. Box 1347, Wilmington, DE 19899-1347, Attn: Robert J. Dehney, Sr. (rdehney@morrisnichols.com); Matthew O. Talmo (mtalmo@morrisnichols.com); Scott D. Jones (sjones@morrisnichols.com); Clint M. Carlisle (ccarlisle@morrisnichols.com); and Brianna N. V. Turner (bturner@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: Linda J. Casey (Linda.Casey@usdoj.gov); (d) counsel to any official committee of unsecured creditors appointed in the cases (the “Committee”); (e) counsel to the Stalking Horse Bidder: (i) Cleary Gottlieb Steen & Hamilton LLP, One Liberty Plaza, New York NY 10006, Attn: Sean A. O’Neal (soneal@cgsh.com) and Thomas Kessler (tkessler@cgsh.com) and (ii) Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, DE 19801, Attn: Sean T. Greecher (sgreecher@ycst.com); and (f) counsel to NXT Capital, LLC: (i) Goldberg Kohn, 55 E Monroe St, Suite 3300, Chicago, IL 60603, Attn: Randall Klein (randall.klein@goldbergkohn.com); Prisca Kim (prisca.kim@goldbergkohn.com); and Eva D. Gadzheva (eva.gadzheva@goldbergkohn.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/RoyalPaper>.

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: April [•], 2025
Wilmington, Delaware

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

/s/ DRAFT

Robert J. Dehney (No. 3578)
Matthew O. Talmo (No. 6333)
Scott D. Jones (No. 6672)
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*Proposed Counsel to the Debtors and
Debtors in Possession*

EXHIBIT B

Stalking Horse Agreement

EXECUTION VERSION

ASSET PURCHASE AGREEMENT

BY AND BETWEEN

ROYAL INTERCO, LLC

AND ITS SUBSIDIARIES NAMED HEREIN,

AS SELLERS

AND

SOFIDEL AMERICA CORP.,

AS PURCHASER

Dated as of April 8, 2025

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ASSET PURCHASE AGREEMENT¹

THIS ASSET PURCHASE AGREEMENT (this “Agreement”) is dated as of April 8, and entered into by and among Royal Interco, LLC, a Delaware limited liability company (“Royal Interco”), the direct and indirect subsidiaries of Royal Interco as set forth in the signature pages attached hereto (together with Royal Interco, “Sellers” and each, individually, a “Seller”), and Sofidel America Corp., a Florida corporation (“Purchaser”). Sellers and the Purchaser are collectively referred to as the “Parties” and individually as a “Party.”

WHEREAS, Sellers and their Affiliates are in the business of designing, developing, manufacturing, marketing, distributing, and selling personal and commercial paper products, including bath tissue, paper towels, facial tissue and napkins (the “Business”);

WHEREAS, Sellers intend to file voluntary petitions for relief commencing cases (the “Chapter 11 Cases”) 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 or around April 8, 2025 (the “Petition Date”);

WHEREAS, Sellers intend to 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 to Purchaser substantially all of their and their Affiliates’ assets, properties and rights that are used or held for use in connection with, or otherwise related to, the conduct of the Business pursuant to the terms and conditions of this Agreement, and Purchaser desires to so purchase and acquire such assets, properties and rights from Sellers and their Affiliates (the “Acquisition”) in accordance with the terms and conditions of this Agreement and free and clear of liens, claims, encumbrances and interests under Sections 363 and 365 of the Bankruptcy Code.

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 Firm” means such nationally recognized independent public accounting firm that will accept such appointment and that is mutually agreed to by the Purchaser and Sellers; *provided, further*, that if Purchaser and the Sellers are unable to agree on a nationally recognized independent public accounting firm that will accept such appointment within five (5)

¹ **Note to Draft:** This draft remains subject to Purchaser’s ongoing review and comment in all respects, including in respect of ongoing due diligence and review by advisors.

Business Days of beginning discussions with respect to the selection of an Accounting Firm, either Party may request that a nationally recognized public accounting firm that has not had a material relationship with either of the Parties in the preceding two (2) years be appointed and upon such appointment “Accounting Firm” shall mean such firm.

“Accounting Firm’s Report” has the meaning assigned to that term in Section 2.7(b)(iii).

“Accounts Receivable” means all accounts receivable of the Business and other receivables of the Business (whether or not billed).

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

“Acquisition” has the meaning assigned to that term in the recitals hereto.

“Action” means any action, claim (including a counterclaim, cross-claim, or defense), complaint, summons, suit, litigation, arbitration, mediation, audit, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), prosecution, contest, hearing, inquiry, inquest, examination, assessment, notice of violation, citation or investigation, of any kind whatsoever (civil, criminal, administrative, regulatory, investigative, appellate or otherwise), regardless of the legal theory under which such liability or obligation may be sought to be imposed, whether sounding in contract or tort, or whether at law or in equity, or otherwise under any legal or equitable theory.

“Additional Payment Amount” has the meaning assigned to that term in Section 2.7(c)(iii).

“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.

“Agent” means NXT Capital, LLC, in its capacity as Agent pursuant to the Credit Agreement.

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

“Alternative Transaction” means a transaction or series of related transactions pursuant to which Sellers accept a bid for all or a material portion of the Acquired Assets or any group of assets that includes all or a material portion of the Acquired Assets, from a Person other than Purchaser or any Affiliate of Purchaser (or a group or joint venture that includes Purchaser or any Affiliate of Purchaser), as the highest or best offer, in accordance with the Bidding Procedures Order or otherwise, but shall exclude sales of goods or services of the Business conducted in the ordinary course.

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

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

“Assignment of Leases” has the meaning assigned to that term in Section 3.2(d).

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

“Auction” means an auction, if necessary, conducted by Sellers in accordance with the Bidding Procedures.

“Avoidance Actions” means any claim, right or cause of action of a Seller arising under chapter 5 of the Bankruptcy Code and any analogous state or federal statutes and common law relating to Sellers, the Acquired Assets or the Assumed Liabilities.

“Back-Up Bidder” has the meaning assigned to that term in the Bidding Procedures.

“Balance Sheet Date” has the meaning assigned to that term in Section 4.9.

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

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

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

“Bidding Procedures” means the bidding procedures, in form and substance reasonably acceptable to Purchaser, approved by the Bankruptcy Court for purposes of seeking bids for the purchase of the Acquired Assets at the Auction.

“Bidding Procedures Order” has the meaning assigned to that term in Section 6.2(a).

“Bill of Sale and Assignment Agreement” has the meaning assigned to that term in Section 3.2(d).

“Books and Records” has the meaning assigned to that term in Section 2.1(h).

“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, New York, New York, and in Milan, Italy.

“Business Employee” has the meaning assigned to that term in Section 4.11(a).

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

“Casualty” has the meaning assigned to that term in Section 6.7.

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

“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.

“Confidential Information” means any and all of the following information:

(i) all information that is a trade secret under applicable trade secret or other Law, including, trade secrets as defined under the Uniform Trade Secrets Act.

(ii) all information concerning product specifications, data, know-how, formulae, compositions, processes, designs, sketches, photographs, graphs, drawings, samples, inventions and ideas, past, current and planned research and development, current and planned manufacturing or distribution methods and processes, customer lists or identities, current and anticipated customer requirements, price lists, market studies, business plans, computer hardware and software and database technologies, systems, structures and architectures;

(iii) all information concerning the Business (which includes historical and current financial statements, financial projections and budgets, tax returns and accountants’ materials, historical, current and projected sales, capital spending budgets and plans, business plans, strategic plans, marketing and advertising plans, publications, customer lists and files, contracts, the names and backgrounds of key personnel and personnel training techniques and materials, however, documented);

(iv) any documents or materials marked “confidential” or “proprietary”;
and

(v) all notes, analyses, compilations, studies, summaries and other material prepared to the extent containing or based, in whole or in part, upon any information included in the foregoing.

Any trade secrets will also be entitled to all of the protections and benefits under applicable trade secret Law and any other applicable Law. If any information that the Purchaser deems to be a trade secret is found by a court of competent jurisdiction not to be a trade secret for purposes of this Agreement, such information will still be considered Confidential Information for the purposes of this Agreement to the extent included within the definition. In the case of trade secrets, Sellers hereby waive any requirement that the other party submit proof of the economic value of any trade secret or post a bond or other security.

“Contracts” means all agreements, contracts, leases, consensual obligations, promises or undertakings, whether written or oral.

“Contributor” has the meaning assigned to that term in Section 4.12(g).

“Credit Agreement” means that certain Credit Agreement dated as of June 15, 2018 by and among Royal Paper, LLC, an Arizona limited liability company, Doubletree Paper Mills,

L.L.C., an Arizona limited liability company, and Sun Paper Company, LLC, a Delaware limited liability company, as borrowers, the lenders party thereto, and Agent, as amended.

“Cure Amounts” means all amounts, costs and expenses required to be paid and obligations that must otherwise be satisfied under Sections 365(b)(1)(A) and (B) of the Bankruptcy Code in connection with assumption and assignment of the Assigned Contracts to Purchaser pursuant to Sections 363 and 365 of the Bankruptcy Code.

“Cure Costs Adjustment Amount” means the aggregate amount of (a) in respect of the Sale Leaseback Agreement (without duplication with respect to the Sale Leaseback Adjustment) and the Real Property Leases, all Cure Amounts, in each case as of immediately prior to the Closing, plus (b) in respect of the other Assigned Contracts that are referred to in Schedule 2.3(a)(i), the greater of (A) the aggregate amount of all Cure Amounts as of immediately prior to the Closing, minus the aggregate amount of the estimated Cure Amount for such other Assigned Contracts as set forth on Schedule 2.3(a)(i) or (B) Zero US Dollar US\$ 0, plus (c) in respect of such other Assigned Contracts that are not referred to in Schedule 2.3(a)(i), fifty percent (50%) of all Cure Amounts as of immediately prior to the Closing.

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

“Deed” has the meaning assigned to that term in Section 3.2(d).

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

“Disputed Items” has the meaning assigned to that term in Section 2.7(b)(iii).

“Employee Benefit Plans” means (i) each “employee benefit plans” (as defined in Section 3(3) of ERISA), whether or not subject to ERISA; (ii) each employment, consulting, restrictive covenant (including non-competition and employee non-solicitation), employee loan or other compensation agreements; (iii) each collective bargaining agreement or other agreement with any works council or association; and (iv) each bonus or other incentive compensation, equity or equity-based compensation, stock purchase, deferred compensation, profit sharing, change in control, severance, termination, retention, leave of absence, vacation or other paid or unpaid leave, salary continuation, medical, life insurance or other death benefit, educational assistance, training, service award, Section 125 cafeteria, dependent care, pension, retirement, welfare benefit or other material employee, retiree, compensation or fringe benefit plans, policies, agreements or arrangements, whether or not written or unwritten, qualified or unqualified, funded or unfunded, subject to ERISA and all underlying insurance policies, trusts and other funding vehicles, in each case (i) that is currently maintained, sponsored, contributed to or required to be contributed to by any Seller for current or former employees, officers, directors or consultants of any Seller, or the beneficiaries or dependents of any such individual, or (ii) under which any Seller may have any material Liability.

“Environmental Laws” means the common law and any applicable federal, state, local and foreign Law relating in any manner to pollution, the protection of human health and safety, or the environment or the disposal, generation, handling, management, manufacture, storage, transportation, treatment, use or Release of or exposure to Hazardous Materials, including,

without limitation: the Clean Air Act, as amended, 42 U.S.C. §§ 7401 et seq.; the Clean Water Act, as amended, 33 U.S.C. §§ 1251 et seq.; CERCLA; the Resource Conservation and Recovery Act, as amended, 42 U.S.C. §§ 6901 et seq.; the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. §§ 11001 et seq.; the Toxic Substances Control Act, 15 U.S.C. §§ 2601 et seq.; the Federal Insecticide, Fungicide and Rodenticide Act, as amended, 7 U.S.C. §§ 136 et seq.; the Occupational Safety and Health Act of 1970, as amended; and any applicable state and local Law.

“Environmental Permits” means all permits, licenses, franchises, certificates, approvals, waivers, variances, consents and other authorizations required under applicable Environmental Laws.

“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, that, together with any Seller, is or would have been at any date of determination occurring within the preceding six (6) years, treated as a single employer within the meaning of Section 414 of the Code.

“Escrow Agent” means Kurtzman Carson Consultants, LLC dba Verita Global, LLC.

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

“Estate Causes of Action” shall mean any and all causes of action, defenses, and counterclaims accruing to the Debtors or that is property of their Estates, based upon facts, circumstances and transactions that occurred prior to the Closing Date, including any avoidance or recovery action that belongs to or could have been raised by the Debtors or the debtors in possession or their respective Estates under Chapter 5 of the Bankruptcy Code; *provided, however*, that “Estate Causes of Action” shall not include causes of action of Sellers to the extent relating to the Acquired Assets or arising under express or implied warranties, guarantees, representations, covenants, indemnities, rights, claims, counterclaims, defenses, credits or rights of set-off from or against suppliers or other third parties with respect to the Acquired Assets (including rights under vendors’ and manufacturers’ warranties, service rights, indemnities and guaranties).

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

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

“Excluded Books and Records” has the meaning assigned to that term in Section 2.2(e).

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

“Final Adjustment” has the meaning assigned to that term in Section 2.7(b)(ii).

“Final Allocation Schedule” has the meaning assigned to that term in Section 2.8.

“Final List” has the meaning assigned to that term in Section 6.5(a).

“Final Order” means an order of the Bankruptcy Court that has not been appealed, reversed, modified, amended or stayed and the time to appeal from or to seek review or rehearing of such order has expired.

“Financial Statements” has the meaning assigned to that term in Section 4.9.

“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 (i) nation, state, county, city, town, borough, village, district or other jurisdiction, (ii) federal, state, local, municipal, foreign or other government, (iii) 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), (iv) multinational organization or body, (v) body exercising, or entitled or purporting to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power, or (vi) official of any of the foregoing.

“Hazardous Materials” means any pollutant, contaminant, chemical, or any toxic or hazardous agent, material, substance or waste, including all agents, materials, substances or wastes for which liability or standards of care or a requirement for investigation or remediation are imposed under, or that are otherwise subject to, Environmental Law, and including asbestos and asbestos-containing materials, petroleum (including crude oil or any fraction thereof), per- and polyfluoroalkyl substances, polychlorinated biphenyls and radioactive materials.

“HSR Act” means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

“Indebtedness” has the meaning assigned to that term in Section 6.10(b)(i)(A).

“Intellectual Property” means all of the following, arising anywhere in the world, whether registered or unregistered: (a) trademarks, trade names, trade dress, corporate names, company names, business names, product or brand names, service marks, logos and other indicia of source or origin, including any applications and registrations for the foregoing, and all goodwill associated therewith or symbolized thereby (collectively, “Trademarks”), (b) patents and patent applications, including divisions, continuations, continuations-in-part and renewal applications, and including renewals, re-examinations, extensions and reissues and inventions (whether or not patentable), (c) copyrights (including moral rights), and any applications for or registrations of any

of the foregoing and works of authorship, (d) know-how, confidential or proprietary information, protocols, schematics, specifications, processes, customer lists and supplier lists, marketing and technical information, software, software code (in any form, including source code and executable or object code), algorithms, subroutines and techniques (collectively, “Trade Secrets”), (e) designs, (f) user interfaces, URLs, domain names and web sites and (g) other forms of technology (whether or not embodied in any tangible form), data and databases, (h) all tangible embodiments of any of the foregoing, such as instruction manuals, laboratory notebooks, prototypes, samples, studies and summaries and (i) any other intellectual property or intangible property and any rights relating to any of the foregoing.

“Inventory Adjustment Amount” means: (i) if the Inventory Amount is greater than \$15,000,000.00, a positive amount equal to (A) the Inventory Amount, minus (B) \$15,000,000.00; (ii) if the Inventory Amount is less than \$13,000,000.00, a negative amount equal to (A) the Inventory Amount, minus (B) \$13,000,000.00; and (iii) if Inventory Amount is less than or equal to \$15,000,000.00 but greater than or equal to \$13,000,000.00, an amount equal to \$0.00.

“Inventory Amount” means the book value of all inventories of, raw materials, chemicals, packaging materials, goods in transit, semi-finished goods and finished goods and products that are used, or held for use, exclusively in the Business as of immediately prior to the Closing, as determined in accordance with past practice prior to the Petition Date; *provided*, that the book value shall exclude (a) any inventories that are obsolete or not in good working condition or (b) any inventories in excess of the quantities that are reasonably expected to be useable or saleable during the six-month period immediately following the Closing. For the avoidance of doubt, Inventory Amount shall exclude the value of any equipment or spare parts.

“knowledge” or “knowledge of Sellers” or any other similar knowledge qualification, means the actual knowledge of Michael Ragano, in his capacity as Chief Restructuring Officer of Sellers, Steven Schoembs, in his capacity as Chief Executive Officer of Sellers, and Todd Hawkins, in each case, after due inquiry of their direct or indirect reports who would reasonably be expected to have knowledge as to the relevant matter.

“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” shall have the meaning set forth in Section 4.8(b).

“Liability” means any and all obligations, liabilities, debts, adverse claims, responsibility, assessment, cost, expense, loss, expenditure, charge, fee, penalty, fine, contribution, premium 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 any mortgage, deed of trust, lien, pledge, charge, title defect, security interest, pledge, mortgage, easement, hypothecation, claim, leasehold interest or other legal or equitable encumbrance of any kind.

“Material Adverse Effect” means any change, development, circumstance, fact or effect that, individually or taken together with any other changes, developments, circumstances, facts or effects, has had or would reasonably be expected to have a material adverse effect on (a) the operations, business assets or properties, or condition (financial or otherwise) of Sellers, taken as a whole (other than those pursuant to (or as expressly contemplated by) orders entered by the Bankruptcy Court in the Chapter 11 Cases), or (b) the ability of Sellers to perform any of its obligations under this Agreement in any material respect, but in each case excluding such effect to the extent resulting from or arising in connection with (i) the pendency or consummation of the Transactions or the public announcement thereof, (ii) changes or conditions affecting the industries generally in which Sellers operate, including changes to tax, stamp duty, tariffs and similar charges, (iii) 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, (iv) changes after the date hereof in Laws or conditions generally affecting the manufacture, sale or supply of any personal and commercial paper products, (v) 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), (vi) changes in Law or GAAP or interpretations thereof or (vii) any action taken by any Seller or Purchaser required or contemplated by this Agreement, *provided, however*, that with respect to clauses (ii), (iii), (iv), (v) and (vi) of this definition, such changes, developments, circumstances, facts or effects shall be taken into account in determining whether a “Material Adverse Effect” has occurred or would reasonably be expected to occur to the extent it materially and disproportionately affects Sellers, taken as a whole, relative to other companies operating in the industry in which Sellers operate.

“Material Contracts” has the meaning assigned to that term in Section 4.10(a).

“Material Customer” has the meaning assigned to that term in Section 4.94.11(b).

“Material Supplier” has the meaning assigned to that term in Section 4.11(a).

“Notice of Disagreement” has the meaning assigned to that term in Section 2.7(b)(ii).

“Order” means any administrative decision or award, decree, injunction, judgment, order, quasi-judicial decision or award, ruling or writ of any arbitrator, mediator or Governmental Body.

“Ordinary Course of Business” means the ordinary and usual course of normal day-to-day operations of the Business, consistent with past practice prior to the Petition Date.

“Outside Date” has the meaning assigned to that term in Section 7.1(b).

“Owned Real Property” shall have the meaning set forth in Section 4.8(a).

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

“Permit” means all permits, licenses, franchises, variances, exemptions, orders, certifications, registrations and other authorizations, consents and approvals of all Governmental Bodies necessary to conduct business.

“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 Information” means any information that (a) identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular individual, device or household or (b) constitutes “personal data,” “personal information,” “protected health information,” “nonpublic personal information” or other similar defined term under any applicable Law.

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

“Phase I ESA” has the meaning assigned to that term in Section 3.2(f).

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

“Privacy Laws” shall mean all Laws relating to the Processing, privacy or security of Personal Information and all regulations or guidance issued thereunder, including Section 5 of the Federal Trade Commission Act, the California Consumer Privacy Act of 2018, (as amended by the California Privacy Rights Act of 2020), the EU General Data Protection Regulation (EU) 2016/679 and all laws implementing it (including as it was retained as domestic law in the United Kingdom following the United Kingdom’s exit from the EU, known as the “UK GDPR”), and all other Laws, regulations, guidelines, industry standards (including the Payment Card Industry Data Security Standard, issued by the Payment Card Industry Security Standards Council, as may be revised from time to time) and codes of practice, relating to data protection, information security, cybercrime, data breach notification, social security number protection, outbound communications and/or electronic marketing, use of electronic data and privacy matters (including online privacy) in any applicable jurisdictions.

“Processing” together with its cognates means any operation or set of operations which is performed upon Personal Information, by any means, such as collection, access, acquisition, recording, organization, storage, adaptation or alteration, retrieval, protection, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, blocking, erasure, disposal, deletion, destruction or any other processing of such data.

“Proposed Allocation Schedule” has the meaning assigned to that term in Section 2.8.

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

“Purchaser Acquisition Expenses” has the meaning assigned to that term in Section 7.2(b).

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

“Purchaser’s Surveys” has the meaning assigned to that term in Section 6.9.

“Real Property” shall have the meaning set forth in Section 4.8(b).

“Real Property Lease” shall have the meaning set forth in Section 4.8(b).

“Release” means any actual or threatened release, abandonment, depositing, discharging, dispersing, disposing, dumping, emitting, emptying, escaping, injecting, leaching, leaking, pumping, pouring, spilling, or allowing to escape or migrate into or through the environment (including, without limitation, ambient air (indoor or outdoor), surface water, groundwater, land surface or subsurface strata).

“Representative” directors, officers, employees, agents or advisors of the applicable Party.

“Resolution Period” has the meaning assigned to that term in Section 2.7(b)(ii).

“Review Period” shall have the meaning set forth in Section 2.7(b)(i).

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

“Sale Leaseback Adjustment” means the greater of (a) the value, as of immediately prior to the Closing, of all outstanding principal under the Sale Leaseback Agreement and similar sale leaseback arrangements (including any agreements, amendments, schedules and annexes in connection therewith) minus Six Million Two Hundred Thousand US Dollars (US\$ 6,200,000) or (b) Zero US Dollar US\$ 0.

“Sale Leaseback Agreement” means the Master Lease Agreement dated September 30, 2024, between Clarus Capital Funding I, LLC, Royal Paper, LLC and Sun Paper, LLC.

“Sale Order” means the order defined in Section 6.2(b).

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

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

“Short Form Domain Name Assignment Agreement” has the meaning assigned to that term in Section 3.2(d).

“Short Form Trademark Assignment Agreement” has the meaning assigned to that term in Section 3.2(d).

“Straddle Period” means a Tax period that includes but does not end on the Closing Date.

“Successful Bidder” has the meaning assigned to that term in the Bidding Procedures.

“Tax” or “Taxes” means 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, 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, whether disputed or not, imposed or collected by any Governmental Body responsible for imposition or collection of any such tax (domestic or foreign).

“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, statement, report, form or information return relating to Taxes filed or required to be filed with any Governmental Body primarily responsible for the administration of Tax, including any amendment thereof or schedule or attachment thereto.

“Title Company” has the meaning assigned to that term in Section 6.9.

“Total Consideration” has the meaning assigned to that term in Section 2.8.

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

“Transferred Employees” has the meaning assigned to that term in Section 6.5(b).

“WARN Act” means the United States Federal Worker Adjustment and Retraining Notification Act, as amended, and any similar state or local Law.

ARTICLE II SALE AND PURCHASE OF ASSETS

2.1 **Sale and Purchase of Assets.** Upon the terms and subject to the conditions set forth in this Agreement, on the Closing Date, Purchaser shall purchase from each Seller, and Sellers shall, and shall cause its Affiliates to, sell, assign, transfer, convey and deliver to Purchaser, all of each Seller’s and its Affiliates’ 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 or held for use by Sellers or their Affiliates in connection with, or otherwise related to, 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 of any Lien. 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 and its Affiliates’ right, title and interest in and to the following:

(a) all interests in Real Property (including any fee and leasehold interests), together with all plants, buildings, structures, fixtures and improvements of all kinds situated thereon, and all privileges, rights, easements, hereditaments and appurtenances belonging to or for the benefit of such Real Property;

(b) all inventory, merchandise, finished goods, raw materials, works in progress, packaging, supplies, parts and other inventories;

(c) all equipment, machinery, furniture, fixtures, supplies, office equipment, computers, tablets, hardware, information technology infrastructure, telephones, motor vehicles, trailers and other rolling stock, and all other tangible personal property of any kind;

(d) all Intellectual Property (including as set forth on Schedule 2.1(d)) together with (i) all documentation, books and records associated with the foregoing (including all prosecution files and dockets, registration certificates, litigation files, and related opinions of counsel and correspondence relating thereto), (ii) all rights to sue for past, present and future infringement, misappropriation, dilution or other violation of any of the foregoing and all remedies at Law or equity associated therewith, (iii) all goodwill connected with the use of, associated with, or symbolized by, the foregoing, (iv) any and all royalties, fees, income, damages, payments, and other proceeds now or hereafter due or payable to the owner thereof with respect to any and all of the foregoing, (v) all rights of any kind whatsoever of Sellers accruing under any of the foregoing provided by applicable Law of any jurisdiction, by international treaties and conventions, and otherwise throughout the world, (vi) the right to prosecute, register, maintain, enforce and defend the foregoing, and (vii) all registrations and applications of the foregoing, including all issuances, extensions, renewals, reissues, continuations and continuations-in-part thereof (all such rights described in this Section 2.1(d) collectively, the “Assigned IP”);

(e) the Sale Leaseback Agreement and all other Contracts, agreements, licenses, leases, warranties, commitments, and purchase and sale orders set forth on Schedule 2.1(e) (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. Purchaser hereby acknowledges and agrees that any rights with respect to any Acquired Asset that is subject to the Sale Leaseback Agreement shall be acquired subject to any Lien under the Sale Leaseback Agreement. Further, notwithstanding anything herein to the contrary, the sale of the Acquired Assets free and clear of all Liens hereunder excludes any Lien securing the Assumed Liabilities under the Sale Leaseback Agreement.

(f) the Permits (including Environmental Permits) set forth on Schedule 2.1(f) **Error! Reference source not found.** and all other Permits, approvals or licenses held by Sellers and related to the Acquired Assets (in each case to the extent transferable);

(g) 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

(h) all books, files, papers, agreements, correspondence, data, databases, information systems, programs, software, documents, environmental audits, environmental site assessments, environmental site investigation reports, specifications, operating or design manuals, safety and environmental protection manuals, technical manuals, records and documentation thereof related to any of the Acquired Assets (including all tangible embodiments of the Assigned IP) or the Assumed Liabilities, or used, held for use in, or otherwise related to, the conduct of the Business (together, collectively, “Books and Records”), *provided* that Sellers shall be entitled to retain a copy of such Books and Records solely for use in connection with each Seller’s wind-down of their Estates and subject to Section 6.13;

(i) all causes of action of Sellers to the extent relating to the Acquired Assets or arising under express or implied warranties, guarantees, representations, covenants, indemnities, rights, claims, counterclaims, defenses, credits or rights of set-off from or against suppliers or other third parties with respect to the Acquired Assets (including rights under vendors’ and manufacturers’ warranties, service rights, indemnities and guaranties);

(j) all prepaid items that relate to the Business or the Acquired Assets, including all prepaid rentals, prepaid expenses, prepaid Taxes, prepaid charges and deposits for utilities, prepaid maintenance and supplies, prepaid inventory, prepaid freight, holdbacks (including ordinary credit card holdback payments or protection reserves), security and unbilled charges, fees and deposits (other than to the extent related to Excluded Assets or Excluded Liabilities);

(k) all security deposits, utility deposits, and other deposits to the extent related to any Acquired Assets or the Assumed Liabilities; and

(l) all Accounts Receivable arising after the Closing Date.

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 and privileges (collectively, the “Excluded Assets”):

- (a) all cash, cash equivalents and marketable securities;
- (b) all Accounts Receivable arising and in existence on or before the Closing Date;
- (c) all Estate Causes of Action;
- (d) all Contracts that are not Assigned Contracts;
- (e) all books and records, including corporate minutes books and other records, that do not relate to the Acquired Assets (“Excluded Books and Records”);

(f) all refunds or credits or deposits of (i) prepaid insurance or (ii) Taxes with respect to the period prior to the Closing Date, including without limitation any refunds, credits or deposits of (i) prepaid insurance or (ii) Taxes arising as a result of Sellers' operation of the Business or ownership, operation, utilization or maintenance of the Acquired Assets prior to the Closing Date;

(g) 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;

(h) all rights, claims or causes of action against any director, manager, officer or employee of any Seller to the extent arising out of events occurring prior to the Closing Date;

(i) all rights, claims or causes of actions against Agent, or any lender pursuant to the Credit Agreement;

(j) the directors and officers insurance policies, and all claims, credits, causes of action or rights thereunder and proceeds thereof;

(k) all Avoidance Actions;

(l) all assets, properties and rights identified on Schedule 2.2(l);

(m) all Employee Benefit Plans and all assets of or relating to the Employee Benefit Plans (wherever held);

(n) all rights, receivables, claims or causes of action related to any Excluded Asset; and

(o) any rights or obligations granted to Sellers under this Agreement.

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, satisfy and discharge, including in accordance with their respective terms, (a) all (i) Cure Amounts and (ii) Liabilities arising after the Closing Date, in each case 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 (determined, in the case of Taxes, in a manner consistent with Section 6.6(c)), and (c) such other Liabilities of Sellers set forth on Schedule 2.3(c) after the Closing Date (collectively, the "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 or otherwise be responsible for any Liability (including Liabilities arising under Environmental Laws) of Sellers of whatever nature (whether arising prior to, at the time of, or subsequent to Closing), including (a) those relating to, arising out of or in connection with the operation of the Business or the Acquired Assets (including the use and ownership thereof) except as expressly indicated as an Assumed Liability, (b) the employment or termination of employment or engagement or termination of engagement of any current or former director, manager, officer, employee,

individual consultant or other individual service provider (or the beneficiary or dependents of any of the foregoing) of any Seller and, with respect to the period ending at the Closing, Transferred Employees, (c) any Employee Benefit Plan, including in respect of any medical or other welfare benefit claims, (d) amounts owed by Seller to or on behalf of any current or former director, manager, officer, employee, individual consultant or other individual service provider of any Seller and, with respect to the period ending at the Closing, Transferred Employees (or the beneficiary or dependents of any of the foregoing) and (e) the Liabilities set forth on Schedule 2.4 ((a) through (e), collectively, the “Excluded Liabilities”).

2.5 **Non-Assignable 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 third party or pursuant to an order of the Bankruptcy Court under Sections 105, 363 and/or 365 of the Bankruptcy Code, would constitute a breach or in any way adversely affect the rights of Purchaser or any Seller thereunder. 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; *provided, however*, that Sellers and Purchaser will use reasonable efforts to obtain all such consents or assignments before the Closing. If any such consents or assignments are not obtained prior to the Closing, unless and until such consent or assignment is obtained, Sellers and Purchaser will reasonably cooperate with each other in any lawful and feasible arrangement designed to provide Purchaser with the benefits and obligations of any such Acquired Asset (including, in the case of any Assigned Contract, each of Purchaser and Sellers using their respective commercially reasonable efforts to discuss alternative arrangements with the applicable counterparty to convey the economic effect of such Assigned Contract to the fullest extent reasonably practicable).

2.6 **Consideration.**

(a) The aggregate consideration for the sale, transfer, and conveyance of the Acquired Assets to Purchaser by Sellers shall be (i)(A) the amount of One Hundred Twenty-Six Million US Dollars (US\$ 126,000,000) (the “Base Purchase Price”), *plus* (B) the Inventory Adjustment Amount, *minus* (C) the Sale Leaseback Adjustment, *minus* (D) the Cure Costs Adjustment Amount (the result of the forgoing calculation, the “Cash Purchase Price”) and (ii) the assumption by Purchaser of the Assumed Liabilities including payment of the Cure Amounts. Sellers shall deliver or cause to be delivered to Purchaser good faith estimate of the Cash Purchase Price (such estimated amount, the “Estimated Cash Purchase Price”), Inventory Adjustment Amount, the Sale Leaseback Adjustment and the Cure Costs Adjustment Amount, in each case, as of the Closing Date, together with reasonably detailed calculations and supporting information in respect thereof, no less than five (5) Business Days prior to Closing. In the event that Purchaser disagrees with Sellers’ estimate, Parties shall discuss in good faith and use commercially reasonable efforts to reach an agreement no less than two (2) Business Days prior to Closing. At the Closing, Purchaser shall deliver the Estimated Cash Purchase Price (less the Deposit and any interest thereon) by wire transfer of immediately available funds to an account designated in writing by Sellers to Purchaser no less than two (2) Business Days prior to Closing.

(b) Purchaser shall make a good faith deposit in an amount equal to Twelve Million and Six Hundred Thousand US Dollars (US\$ 12,600,000) (the “Deposit”) on or before the date of this Agreement to the Escrow Agent. Sellers shall cause the Escrow Agent to distribute the Deposit and any interest thereon within five (5) Business Days of the following events:

(i) If the Closing shall occur, the Deposit and any interest thereon shall be applied towards the Cash Purchase Price payable by Purchaser to Sellers pursuant to Section 2.6 and delivered to Sellers;

(ii) Except as provided in clause (iv) below, in the event that Sellers close a sale of any of the Acquired Assets to any party other than Purchaser, then the Deposit and any interest thereon shall be returned to Purchaser;

(iii) In the event that this Agreement is terminated by Purchaser due to a material breach of this Agreement by Sellers, or Sellers’ failure to perform any material obligation or condition required under this Agreement, then the Deposit and any interest thereon shall be returned to Purchaser;

(iv) In the event that this Agreement is terminated by Sellers due to a material breach of this Agreement by Purchaser, or Purchaser’s failure to perform any material obligation or condition required under this Agreement, then the Deposit shall be distributed to Sellers and any interest thereon shall be distributed to Purchaser; or

(v) If this Agreement is terminated for any reason prior to the Closing other than as contemplated by Section 7.1(d) or Section 7.1(i), then the Deposit and any interest thereon shall be returned to the Purchaser.

The parties hereto acknowledge that the Deposit is subject to a Lien in favor of Agent pursuant to the Credit Agreement; *provided*, that, notwithstanding the foregoing, such Lien shall be junior and subordinate to Purchaser’s interest in the Deposit and Purchaser’s right to distribution as provided in this Section 2.6(b) shall not be affected whatsoever by such Lien.

2.7 Determination of Final Adjustment.

(a) As soon as reasonably practicable following the Closing (but no later than thirty (30) 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 the Cash Purchase Price, the Inventory Adjustment Amount, the Sale Leaseback Adjustment and the Cure Costs Adjustment Amount, each as of the Closing Date.

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

(i) Sellers shall have a period of fifteen (15) days after receipt by Sellers of the Purchaser Adjustment Report to review such report (the “Review Period”). Following the delivery of the Purchaser Adjustment Report and prior to the final determination of the Inventory Adjustment Amount and Sale Leaseback Adjustment, the Purchaser shall make available to Sellers and its Representatives reasonable access during normal business hours to the personnel,

Representatives of the Purchaser, and the Books and Records of Purchaser, in each case used by the Purchaser in its preparation of the Purchaser Adjustment Report, in connection with Sellers' review of the Purchaser Adjustment Report and any dispute with respect thereto as contemplated by this Section 2.7.

(ii) 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 5:00 p.m., Eastern Time, on the final day of the 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" for purposes of the payment (if any) contemplated by Section 2.7(c). If Sellers deliver to the Purchaser a Notice of Disagreement on or before the final day of the Review Period, then the Purchaser and Sellers shall attempt to resolve in good faith the matters contained in the Notice of Disagreement within fifteen (15) days after the Purchaser's receipt of the Notice of Disagreement (the "Resolution Period"). If the Purchaser and Sellers reach a resolution with respect to such matters on or before the final day of the Resolution Period, then the Purchaser Adjustment Report, as modified by such resolution, shall be deemed to be the "Final Adjustment" for purposes of the payment (if any) contemplated by Section 2.7(c).

(iii) If such a resolution is not reached on or before the final day of the Resolution Period, then the Purchaser and Sellers shall promptly (and in any event no later than fifteen (15) days after the last day of the Resolution Period) retain the Accounting Firm (including by executing a customary agreement with the Accounting Firm in connection with its engagement) and submit any unresolved objections covered by the Notice of Disagreement (the "Disputed Items") to the Accounting Firm for resolution in accordance with this Section 2.7(b)(iii). The Accounting Firm will be instructed to: (A) 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 the Purchaser and Sellers; and (B) prepare and deliver to the 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 "Accounting Firm's Report"). The Accounting Firm shall act as an expert and not an arbitrator. During the ten (10) days after submission of the Disputed Items to the Accounting Firm, each of Purchaser and Sellers may provide the Accounting Firm with a definitive statement in writing of its positions with respect to the Disputed Items (and only the Disputed Items). The Accounting Firm will be provided with reasonable access to the Books and Records for purposes of making its final determination with respect to the Disputed Items, and Purchaser and Sellers and the Company shall otherwise reasonably cooperate with the Accounting Firm in connection therewith. Each of the Purchaser and Sellers agree that: (1) the Accounting Firm's determination with respect to each Disputed Item as reflected in the Accounting Firm's Report shall be deemed to be final, conclusive, binding and non-appealable; (2) the Purchaser Adjustment Report, as modified by any changes thereto in accordance with the Accounting Firm's Report, shall be deemed to be the "Final Adjustment" for purposes of the payment (if any) contemplated by Section 2.7(c); and (3) the procedures set forth in this Section 2.7 shall be the sole and exclusive remedy with respect to the final determination of the Final Adjustment.

(c) Within two (2) Business Days after the determination of the Final Adjustment in accordance with this Section 2.7(c) (including by failure to timely deliver a Notice of Disagreement):

(i) if the Additional Payment Amount is a positive number, then the Purchaser shall pay, or cause to be paid, 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 the Purchaser; or

(ii) if the Additional Payment Amount is a negative number, then Sellers shall pay, or cause to be paid, an amount in cash equal to the Additional Payment Amount to the Purchaser by wire transfer of immediately available funds to an account of Purchaser designated in writing by the Purchaser to Sellers.

(iii) For purposes hereof, “Additional Payment Amount” means an amount equal to (A) the sum of the Inventory Adjustment Amount and the Sale Leaseback Adjustment minus the Cure Costs Adjustment Amount as provided by Sellers pursuant to Section 2.6(a) minus (B) the sum of the Inventory Adjustment Amount and the Sale Leaseback Adjustment minus the Cure Costs Adjustment Amount as finally determined in the Final Adjustment.

2.8 **Allocation of Consideration.** The parties shall allocate the Cash Purchase Price as well as any amounts treated as consideration for Tax purposes (the “Total Consideration”) among the Acquired Assets in accordance with Section 1060 of the Code and the Treasury Regulations promulgated thereunder. Prior to Closing, Purchaser shall prepare a proposed allocation of the Total Consideration among the Acquired Assets (the “Proposed Allocation Schedule”). As soon as practicable (and in any event no later than 60 days) after Closing, Purchaser shall deliver to Sellers a final allocation of the Total Consideration among the Acquired Assets (the “Final Allocation Schedule”). Each of Purchaser and Sellers shall file, and cause its Affiliates to file, its respective Tax Returns, including the IRS Form 8594 or any equivalent statements, in accordance with the Final Allocation Schedule. Each of Purchaser and Sellers shall not take, and shall cause its Affiliates not to take, any position inconsistent with the Final Allocation Schedule on any applicable Tax Return or in any Tax Proceeding. In the event that the allocation set forth on the Final Allocation Schedule is disputed by any Governmental Body, the party receiving notice of the dispute shall promptly notify the other Party hereto concerning the commencement of the dispute.

2.9 **Withholding.** Notwithstanding anything to the contrary herein, Purchaser and any other applicable withholding agent shall be entitled to deduct and withhold from any amounts payable pursuant to this Agreement any such amounts that are required to be deducted and withheld under applicable Law. To the extent that any such amounts are so deducted or withheld and timely remitted to the appropriate Governmental Body, such amounts will be treated for all purposes of this Agreement as having been paid to the Person in respect of which such deduction and withholding was made.

2.10 **Accounts Receivable.** In the event that Purchaser receives any amounts due to any Seller related to Accounts Receivable or unbilled work in progress, in each case, (a) that constitute Excluded Assets and (b) are payable with respect to the Business for periods prior to the Closing,

such amounts shall be held in trust by Purchaser for the benefit of such Seller, Purchaser shall promptly remit all such amounts to such Seller. In the event that Sellers receive any amounts related to Accounts Receivable or unbilled work in progress (A) which are included in the Acquired Assets and (B) which are payable with respect to the Business for periods on or after the Closing, such amounts shall be held in trust by Sellers for the benefit of Purchaser and Sellers shall promptly remit all such amounts to Purchaser. Each Party has the right to conclusively rely on the applicable Party's written notice (including the wire information). In connection with the collection by Sellers or Purchaser following the Closing of any Accounts Receivable, payments received shall be allocated in accordance with the applicable treatment of such Accounts Receivable provided for in the Sale Order.

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 by means of a virtual closing through electronic exchange of documents and signatures on the first (1st) Business Day of the week following the date that is the third (3rd) Business Day after the day on which all of the conditions to closing set forth in this Article III are satisfied or waived (other than conditions that are intended to be satisfied at the Closing), or at such other date, time or place as the Parties may agree. 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.

3.2 **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 be waived by Purchaser in its sole discretion:

(a) **Representations and Warranties.** The representations and warranties of Sellers set forth in (i) Section 4.1 and Section 4.2 of this Agreement shall be true and correct as of the Closing Date (except for representations and warranties made as of a specified date, which shall be true and correct as of the specified date) in all material respects and (ii) any other section of Article IV of this Agreement shall be true and correct as of the Closing Date (except for representations and warranties made as of a specified date, which shall be true and correct as of the specified date), in each case, disregarding any "materiality" or "Material Adverse Effect" qualifications, except where failure to be true and correct would not have a Material Adverse Effect.

(b) **Agreements and Covenants.** Sellers shall have performed and complied with each 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) **No Material Adverse Effect shall have occurred.**

(d) Deliveries at Closing. Purchaser shall have received from Sellers (i) a Bill of Sale and Assignment and Assumption Agreement substantially in the form attached hereto as Exhibit B (the “Bill of Sale and Assignment Agreement”), duly executed by Sellers, (ii) an Intellectual Property Assignment Agreement substantially in the form attached hereto as Exhibit C (the “Intellectual Property Assignment Agreement”), duly executed by Sellers and their applicable Affiliates, a Short Form Trademark Assignment Agreement substantially in the form attached hereto as Exhibit D (the “Short Form Trademark Assignment Agreement”), duly executed by Sellers and their applicable Affiliates, a Short Form Domain Name Assignment Agreement substantially in the form attached hereto as Exhibit E (the “Short Form Domain Name Assignment Agreement”), duly executed by Sellers and their applicable Affiliates, (iii) a Special Warranty Deed in the form attached hereto as Exhibit F (the “Deed”) and any transfer tax forms required in the jurisdiction of the Owned Real Property, each duly executed by Sellers, an Assignment and Assumption of Leases in the form attached hereto as Exhibit G (the “Assignment of Leases”), duly executed by Sellers, (iv) an IRS Form W-9 of each Seller (or its regarded parent, as applicable) that is treated as a “United States person” within the meaning of Section 7701(a)(30) of the Code, and (v) such other duly executed assignments, general trademark assignments, lease assignments, bills of sale or certificates of title, as may be reasonably requested by Purchaser, dated as of the Closing Date, whereby Sellers will transfer to Purchaser free and clear of any Lien all of Sellers’ right, title and interest in and to the Acquired Assets and the Assumed Liabilities.

(e) Certification. The delivery by Sellers to the Purchaser of an officer’s certificate, dated as of the Closing Date, executed by a duly authorized officer of each Seller certifying that the conditions set forth in Sections 3.2(a) and 3.2(b) have been satisfied.

(f) Phase I Environmental Site Assessment. (i) Sellers shall have complied in all respects with its obligations under Section 6.9 and (ii) Purchaser shall have received either (x) a reliance letter authorizing Purchaser to rely on the Phase I Environmental Site Assessment (“Phase I ESA”) for the 31201 West Thayer Road, Gila Bend, Arizona, 85337, prepared for Sellers by Partner Engineering and Science, Inc., dated as of February 10, 2025, or (y) if the Closing Date is more than 180 days after February 10, 2025, a Phase I ESA in final form with respect to 31201 West Thayer Road, Gila Bend, Arizona 85337, in either case as sufficient to satisfy the “all appropriate inquiries” standard (or comparable term) in order to permit Purchaser to qualify as a “innocent landowner” (or comparable term) under applicable Environmental Laws.

3.3 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 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 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) Deliveries at Closing. Sellers shall have received from Purchaser all fully executed instruments or documents as Sellers may reasonably request to fully effect the transfer of the Acquired Assets and assumption of the Assumed Liabilities and to otherwise consummate the Transactions.

(d) Certification. The delivery by Sellers to the Purchaser of an officer's certificate, dated as of the Closing Date, executed by a duly authorized officer of each Seller certifying that the conditions set forth in Sections 3.3(a) and 3.3(b) have been satisfied.

3.4 **Conditions to Obligations of Sellers and Purchaser.** The obligations of Sellers and Purchaser to consummate the Transactions is subject to the satisfaction, at or before the Closing, of each of the following conditions:

(a) Sale Order. The Bankruptcy Court shall have entered the Sale Order and such order shall be a Final Order.

(b) Approvals. Any waiting period (and extensions thereof) applicable to the Acquisition under the HSR Act shall have expired or been terminated and any other required approvals, consents, waivers, clearances or other authorizations under any other antitrust laws relating to the Acquisition shall have expired, been terminated or obtained, as applicable.

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.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF SELLERS

Each Seller represents and warrants to Purchaser as follows:

4.1 **Organization, Good Standing and Power.** Each Seller is validly existing and in good standing under the laws of its jurisdiction of organization. Subject to the applicable provisions of the Bankruptcy Code, each Seller 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.

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, or board of managers, as applicable, of such Seller, and, except for Bankruptcy Court approval, no other proceedings or approvals on the part of such 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 such 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 such Seller, enforceable against such Seller in accordance with their terms, except as set forth in the Bidding Procedures.

4.3 **Governmental and Other Consents.** Except for the receipt of any necessary Bankruptcy Court approval in accordance with the Bankruptcy Code, 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 each Seller of this Agreement and the Ancillary Agreements and the consummation of the Transactions, except as set forth on Schedule 4.3.

4.4 **Assets.** Each Seller has good and valid title to the Acquired Assets. Upon the terms and subject to the conditions contained in this Agreement and subject to requisite Bankruptcy Court approvals and the terms of the Sale Order, at the Closing, such Seller shall transfer and deliver to Purchaser good and valid title to the Acquired Assets, free and clear of all Liens.

4.5 **Environmental.** Except as set forth on Schedule 4.5, to the knowledge of Sellers:

(a) The Acquired Assets are and, for the past three (3) years, have been in compliance with applicable Environmental Laws and Environmental Permits in all material respects.

(b) Sellers have not received, with respect to the Acquired Assets or the Assumed Liabilities, any written communication alleging that Sellers or any of the Acquired Assets currently is not in compliance with or is liable or potentially liable under applicable Environmental Laws or Environmental Permits and neither Sellers nor any Acquired Assets are a party to or subject to the provisions of any Order or Lien pursuant to Environmental Law.

(c) There are no Actions or information requests pending or threatened against Sellers or affecting the Acquired Assets related to Environmental Laws or arising from the Release or presence of or exposure to Hazardous Materials.

(d) There has been no Release or presence of or exposure to any Hazardous Materials, whether on or off the property currently owned or operated by Sellers that would reasonably be expected to result in liability or a requirement for notification, investigation or remediation by Sellers under any Environmental Law.

(e) Sellers have delivered to, or have otherwise made available for inspection by the Purchaser, all written assessments, audits, investigation reports, studies, test results or similar documents in the possession, control or custody of Sellers related to environmental, health or safety matters or Hazardous Materials.

4.6 **Actions.** Except as set forth in Schedule 4.6, as of the date hereof, there are no Actions pending or, to the knowledge of Sellers, threatened by or against Sellers or any of its members relating to or affecting the Business or any of the Acquired Assets.

4.7 **Compliance with Laws.** The Transactions do not violate any applicable Law. Except as set forth in Schedule 4.7, during the past two (2) years there has been no material violation of or default under any Law or Order applicable to Sellers, the Business, the Acquired

Assets, Real Property, or the Assumed Liabilities, in each case, other than as a result of the Chapter 11 Cases. Each Seller is, and for the past two (2) years has been, in compliance in all material respects with all applicable Laws regulating such Seller, the Business, the Acquired Assets, or the Real Property.

4.8 **Real Property.**

(a) **Owned Real Property.** To the knowledge of Sellers, a list of all real property owned in fee by Sellers (the “Owned Real Property”) is set forth in Schedule 4.8(a). Sellers have good, valid and marketable fee title to its interest in its Owned Real Property, free and clear of all Liens. To the knowledge of Sellers, Sellers have not leased, licensed or otherwise granted any Person the right to use or occupy such Owned Real Property. To the knowledge of Sellers, no Seller has received written notice of any actual proceedings of condemnation and, to the knowledge of Sellers, there are no existing or threatened in writing proceedings of condemnation or similar proceedings with respect to any part of the Owned Real Property, which would have a Material Adverse Effect. Except as otherwise disclosed in the public records, to the knowledge of Sellers, no Person other than the applicable fee owner of an Owned Real Property or lessee under a Real Property Lease has any possessory interest in any Real Property or right to occupy the same.

(b) **Leased Real Property.** To the knowledge of Sellers, a list of all real property leased by Sellers (the “Leased Real Property”) is set forth in Schedule 4.8(b). The Owned Real Property and Leased Real Property are collectively referred to herein as the “Real Property.” To the knowledge of Sellers, true and correct copies of all leases (each a “Real Property Lease”) for Leased Real Property pursuant to which a Seller is a lessee as of the date hereof have been made available to Purchaser prior to the date hereof, together with all amendments and modifications thereto entered into prior to the date hereof. To the knowledge of Sellers, each Real Property Lease is valid and binding on the Seller that is a party thereto, enforceable in accordance with its terms, except as would not have a Material Adverse Effect. To the knowledge of Sellers, the applicable Seller has a valid leasehold relating to the Leased Real Property, free and clear of all Liens or otherwise to be transferred to Purchaser free and clear of all Liens.

(c) Except as disclosed in Schedule 4.8(c), to the knowledge of Sellers, Sellers have not received a written notice of default under any Real Property Lease beyond the expiration of applicable notice and cure periods. To the knowledge of Sellers, Sellers have complied in all material respects with the terms of all Real Property Leases and all such Real Property Leases are in full force and effect, enforceable in accordance with their terms against Sellers and the counterparties thereto.

(d) To the knowledge of Sellers: (i) there are no material violations of any zoning ordinances, building codes or other governmental or regulatory laws affecting the Real Property or planned material changes in any zoning ordinances or building codes or other governmental or regulatory Laws that would materially and adversely affect the Real Property; (ii) the buildings and improvements on the Real Property are in all material respects in good operating condition and in a state of good repair, ordinary wear and tear excepted, are in compliance with all applicable building codes and are suitable for their current uses and purposes; (iii) there are no physical conditions on any part of the Real Property that would materially impair the continued operation of the Business as presently conducted at each such Real Property; (iv) there have been

no recent material casualties affecting the Real Property; and (v) there is no planned or required substantial expenditure in relation to the Real Property.

(e) Each part of the Real Property has adequate rights of access to dedicated public roads or ways and is served by water, electric, sewer, sanitary sewer and storm drain facilities, in each case to the extent reasonably necessary for the operation, use and occupancy of such Real Property as currently operated and used.

(f) There are no rights of first refusal, options to purchase, purchase agreements, contracts for deed or installment sale agreements in effect with respect to all or any part of the Real Property.

(g) There are no contracts relating to the Real Property for any proposed or pending purchase, sale, lease or construction of facilities by Sellers or any subsidiary thereof.

(h) No change has been made by Sellers to the improvements shown on survey made by R.B. Williams & Associates, Inc. dated June 14, 2018.

(i) Groundwater Wells. To the knowledge of Sellers, and subject to the further provisions of this Section 4.8(i), there are two non-exempt groundwater wells on the Owned Real Property and both wells are registered with the Arizona Department of Water Resources. There are no unregistered wells located on the Owned Real Property. The wells referenced above are in all material respects in good operating condition and in a state of good repair, ordinary wear and tear excepted. Schedule 4.8(i) provides a copy of the well registry reports and Request to Change Well Information completed as to the Sellers information. In addition to the wells referenced in this Section 4.8(i) as set forth above, there are two additional groundwater wells on the Owned Real Property that are no longer in service, and have been closed in accordance with the regulations of the Arizona Department of Water Resources.

4.9 **Financial Statements**. Attached to Schedule 4.9 are the unaudited statements of financial position as of February 2025 and the audited statements of financial position as of year-end 2023, and the related statements of loss and cash flows for each fiscal year then ended, in each case of Sellers (collectively, the “Financial Statements” and such fiscal year end, the “Balance Sheet Date”). The Financial Statements have been prepared, in each case, in conformity in all material respects with GAAP consistently applied, except for the absence of footnote disclosure and any customary year-end adjustments and except, in the case of the unaudited statements as of February 2025 or the fiscal year then ended, with respect to any Tax matters or any impact or effect thereof. The Financial Statements present fairly in all material respects, in accordance with GAAP consistently applied, the consolidated financial condition and results of operations of Sellers, taken as a whole, as of the dates and for the periods referred to therein, except as may be indicated in the notes thereto.

4.10 **Material Contracts**.

(a) Sellers have made available to Purchaser accurate and complete copies of all of the written Contracts in their possession (and written summaries of any oral Contracts) to which any Seller is a party, each of which is identified in Schedule 4.10(a) (collectively, “Material Contracts”).

(b) Subject to entry of the Sale Order and payment of all Cure Amounts, each Material Contract is in full force and effect, is fully assignable without the consent of any Person, except as set forth on Schedule 4.10(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. Sellers have performed and are performing all obligations required to be performed by it under the Material Contracts.

(c) Except as set forth in Schedule 4.10(c), no material default or material breach of a Material Contract exists (or, solely as a result of the consummation of the transactions contemplated hereby, will exist) on the part of Sellers or, to the knowledge of Sellers, on the part of any other Person under any such Material Contracts, and no condition or event has occurred that, after notice or lapse of time, or both, would constitute a material default or material breach of such Material Contracts.

4.11 **Material Suppliers and Customers.**

(a) Schedule 4.11(a) sets forth a true and complete list of the twenty (20) largest suppliers of services, raw goods or finished products to Sellers (based on the dollar amount of payments made by Sellers, taken as a whole) for the twelve month period ending on December 31, 2024 (each, a “Material Supplier”).

(b) Schedule 4.11(b) sets forth a true and complete list of the twenty (20) largest customers of Sellers (based on the dollar amount of payments received by Sellers, taken as a whole) for the twelve month period ending on December 31, 2024 (each, a “Material Customer”); *provided, however*, that to the extent Sellers have fewer than twenty (20) customers, all of such customers are listed on Schedule 4.11(b).

(c) Except as set forth on Schedule 4.11(c), no Material Supplier or Material Customer has provided written notice to any Seller in respect of any dispute or that it will cancel or terminate or otherwise adversely modify in any material respect its business relationship with Sellers.

4.12 **Intellectual Property.**

(a) Schedule 4.12(a) sets forth a true and complete list to the knowledge of Sellers as of the date hereof, of all (i) Intellectual Property that is issued by, registered with or the subject of a pending application before the U.S. Patent & Trademark Office or U.S. Copyright Office, or any equivalent or corresponding Governmental Body anywhere in the world, or domain name registrar and (ii) material unregistered Trademarks, in each case of the foregoing (i) and (ii), that is included in the Assigned IP. To the knowledge of Sellers, each item of Assigned IP is subsisting, valid and enforceable.

(b) Sellers or one of their Affiliates are, and immediately after the Closing, Purchaser or one of its Affiliates will be, the sole and exclusive owner of all right, title and interest in and to the Assigned IP, free and clear of all Liens.

(c) To the knowledge of Sellers, immediately after the Closing, Purchaser or one of its Affiliates will own or have sufficient rights to all Intellectual Property used or held for

use in connection with, or otherwise related to, or necessary for the operation of, the Business as presently conducted and currently contemplated to be conducted by Sellers.

(d) There is no pending, or to the knowledge of Sellers, threatened, and during the three (3) years prior to the date hereof, there has not been any pending, or threatened, Action (including cease-and desist letters or invitations to license) (i) in which a third party is or was alleging that the operation of the Business or that the designing, developing, manufacturing, marketing, distributing or selling the products of the Business, infringes, misappropriates, dilutes or otherwise violates, or infringed, misappropriated, diluted or otherwise violated, the Intellectual Property of any Person, (ii) challenging the use, ownership, validity, enforceability or registerability of any Assigned IP or (iii) in which Sellers or their Affiliates are or were challenging the, use, ownership, validity, enforceability or registerability of any Intellectual Property of a third party. To the knowledge of Sellers, none of the Sellers or any of their Affiliates is subject to any outstanding Order that restricts the use of any Assigned IP.

(e) To the knowledge of Sellers, neither the operation of the Business, nor the designing, developing, manufacturing, marketing, distributing or selling of the products of the Business, has infringed, misappropriated, diluted or otherwise violated, or does or immediately following the Closing, will infringe, misappropriate, dilute or otherwise violate any Intellectual Property owned by any other Person.

(f) To the knowledge of Sellers, no Person is infringing, misappropriating, diluting or otherwise violating any item of Assigned IP. To the knowledge of Sellers, no Actions (including in the form of cease and desist letters or invitations to license) are pending or have been brought or threatened against any Person by Sellers or their Affiliates in the three (3) years prior to the date hereof, alleging that a Person is infringing, misappropriating, diluting or otherwise violating, any Assigned IP.

(g) Sellers and their Affiliates have taken reasonable steps to maintain the material Assigned IP and to protect and preserve the confidentiality of all material Trade Secrets (including any information that would have been a Trade Secret but for any failure of Sellers or their Affiliates to act in a manner consistent with this Section 4.12(g)) included in the Assigned IP or provided by third parties to the Business under conditions of confidentiality. To the knowledge of Sellers, each employee, contractor and consultant involved in the creation, invention or development of any material Intellectual Property (collectively, “Contributor”) for or on behalf of the Business has executed a valid and enforceable written assignment of all such Intellectual Property to Sellers or one of their Affiliates. To the knowledge of Sellers, no third party has made claim to rights to any such Intellectual Property. To the knowledge of Sellers, none of Sellers or any of their Affiliates has any outstanding financial or other obligation to any Contributor with respect to any Assigned IP.

4.13 Privacy; Data Protection; IT Assets.

(a) With respect to the Business (i) Sellers and their Affiliates have taken reasonable efforts (including implementing and monitoring compliance with administrative, technical and physical safeguards, policies, procedures and security measures that conform with all applicable contractual obligations, Privacy Laws and applicable industry standards) to ensure

the confidentiality, security and continuous operation of any systems, software, databases, information technology devices, equipment and infrastructure, networks and websites owned, leased or licensed by Sellers and their Affiliates and any information (including Trade Secrets and data, including Personal Information), stored or contained therein or Processed thereby (the “IT Assets”), (ii) there has been no unauthorized or improper access to, violations, failures, disruptions, breaches or unauthorized uses of, the IT Assets, (iii) there has been no security breaches or other unauthorized access to, use or disclosure of, or other similar adverse events or incidents affecting, any data (including Trade Secrets and Personal Information) processed by or on behalf of the Business, and no disclosure of any of the foregoing has been or should have been made by Sellers or their Affiliates under any applicable Privacy Law to any Governmental Body or affected Person and (iv) the IT Assets operate and perform in accordance with their documentation and functional specifications and otherwise as required in connection with, the operation of the Business, and have not materially malfunctioned or failed within the past three (3) years.

(b) In the past three (3) years, the operation of the Business has been in material compliance with all applicable data Privacy Laws and all contractual obligations and policies relating to the processing of Personal Information. With respect to the Business, none of Sellers or any of their Affiliates (and, to the knowledge of Sellers, all third parties Processing Personal Information on their behalf) have received any written notice or claim (including any communication from any Governmental Body) alleging a material violation of any Privacy Law, contractual or fiduciary obligations relating to privacy or Personal Information or any policy of Sellers or their Affiliates relating to privacy or Personal Information, or otherwise indicating that such Person is being investigated or is the subject of enforcement action in respect of a breach of any Privacy Laws with respect to the Business.

4.14 **Employee Benefits.** No Employee Benefit Plan is or was within the past six (6) years (i) a “multiple employer plan” for purposes of Sections 4063, 4064 or 4066 of ERISA, (ii) a “multiemployer plan” within the meaning of Sections 3(37) or 4001(a)(3) of ERISA, or (iii) subject to Section 412 of the Code or Section 302 or Title IV of ERISA.

4.15 **Labor.**

(a) With respect to the employees listed on Schedule 4.15(a) (each such employee, a “Business Employee”), 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) No Seller 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. To the knowledge of Sellers, each Seller is 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.

4.16 **Brokers.** Except as set forth in Schedule 4.16, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Sellers.

ARTICLE V REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to Sellers:

5.1 **Organization, Good Standing and Power.** Purchaser is validly existing and in good standing under the laws of the State of Florida. 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 each Seller, 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, except as set forth on Schedule 5.3.

5.4 **Brokers.** No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Purchaser.

ARTICLE VI COVENANTS

6.1 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, and in a manner so as not to unreasonably interfere with the normal business operations of Sellers, to all premises, personnel (solely for purposes of evaluation and determination of the Final List pursuant to Section 6.5(a) and making offers to Business Employee listed on the Final List as contemplated by Section 6.5(b)), property, books, records (including Tax records), Contracts, and documents of or pertaining to the Business (*provided* that any representatives of Purchaser shall be subject to confidentiality obligations as may reasonably be requested by Sellers).

(b) From the Closing Date through and including the second anniversary of the Closing Date, Purchaser shall provide copies to Sellers and its respective representatives of any 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 or their respective representatives to perform the duties necessary for the liquidation of the Debtors' Estates (*provided* that any representatives of Sellers or their successors shall be subject to confidentiality obligations as may reasonably be requested by Purchaser). At the sole expense to the Estates and to the extent reasonably required by Sellers, and subject to confidentiality obligations as may reasonably be requested by Purchaser, 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.

(c) From the Closing Date through and including the earlier to occur of (i) the second anniversary of the Closing Date or (ii) the completion of the winding down of the Sellers, upon the reasonable request of Purchaser, Sellers shall provide copies to Purchaser and its respective Representatives (at no additional expense to Purchaser) of any books and records relating to the Business that are in Sellers' possession and which were not transferred to Purchaser at the Closing. During such period, Sellers shall use their reasonable best efforts to preserve, and shall not destroy, and books and records relating to the Business without the prior written consent of Purchaser.

(d) Sellers shall provide site access to the Real Property and shall deliver or cause to be delivered all information necessary to satisfy the "all appropriate inquiries" standard (or comparable term), in order to permit Purchaser to qualify as an "innocent landowner" (or comparable term) under applicable Environmental Laws, including either (i) a reliance letter authorizing Purchaser to rely on (i) Phase I ESA for the 31201 West Thayer Road, Gila Bend, Arizona, 85337, prepared for Sellers by Partner Engineering and Science, Inc., dated as of February 10, 2025 or (ii) if the Closing Date will be more than 180 days after February 10, 2025, all information required by any "user questionnaire" necessary for Purchaser and its representatives to prepare a Phase I ESA with respect to the transferred real property, and Purchaser shall, at its sole cost and expense, use commercially reasonable efforts to obtain, as promptly as reasonably practicable following the date hereof, such a Phase I ESA.

6.2 **Bidding Procedures and Order.**

(a) 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 an order approving the bidding procedures acceptable to Purchaser and Agent (the “Bidding Procedures Order”).

(b) If Purchaser is designated as the Successful Bidder in accordance with the terms of the Bidding Procedures Order, Sellers will seek entry of an order by the Bankruptcy Court pursuant to Sections 363 and 365 of the Bankruptcy Code reasonably acceptable to the Purchaser and Sellers (the “Sale Order”), and as set forth in Section 6.3.

(c) Sellers and Purchaser agree that, in the event that Purchaser is not the Successful Bidder, and the Alternative Transaction with the Successful Bidder does not close, if and only if Purchaser is the Back-Up Bidder, Purchaser shall promptly consummate this Agreement upon the terms and conditions set forth herein, including the consideration as the same may be modified by Purchaser at the Auction; *provided, however*, that Purchaser’s obligation to remain as the Back-Up Bidder shall not terminate until the closing of the Alternative Transaction with the Successful Bidder. Purchaser acknowledges that time is of the essence in achieving Closing and shall undertake all commercially reasonable efforts to reach Closing in a timely manner.

6.3 **Sale 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 the Sale Order, which shall approve of Sellers’ entry into and performance under this Agreement and the transactions described herein, and which shall contain the following provisions in terms reasonably acceptable to the parties hereto (it being understood that certain 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 Sale 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 Sections 105, 363 and 365 of the Bankruptcy Code, as applicable;

(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 of all Liens, 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 Purchaser and the Transactions are entitled to the protections of Section 363(n) of the Bankruptcy Code;

(iv) a determination that selling the Acquired Assets free and clear of all Liens is in the best interest of Sellers’ Estates;

(v) that Purchaser shall not assume any Excluded Liabilities; and

(vi) that Purchaser is not a mere continuation of Sellers or their estates, and Purchaser shall not have any successor liability of any kind or character.

(b) If the Sale 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 Sale 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.

6.4 **Further Assurances; Efforts.**

(a) 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 6.4(a) 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. If after the Closing (i) Purchaser holds or receives any Excluded Assets or Excluded Liabilities or (ii) Seller holds or receives any Acquired Assets or Assumed Liabilities, Purchaser or Seller, as applicable, will promptly transfer or cause to be transferred such assets or, in the case of Liabilities, assume or discharge, or cause to be assumed or discharged, such Liabilities, to or from or with respect to the other Party, as applicable. Prior to any such transfer, the Party receiving or possessing any such misallocated asset shall hold it in trust for the benefit of the applicable Party (at the cost of such Party); *provided*, that nothing contained in this Section 6.4(a) shall affect Parties' rights and obligations pursuant to Section 6.12.

(b) Each of Purchaser, on the one hand, and Sellers, on the other hand, shall use their respective reasonable commercial efforts, and shall reasonably cooperate with each other, and shall cause their Affiliates to use reasonable commercial efforts and reasonably cooperate, to (i) prepare all documentation necessary to make all necessary filings with any Governmental Body as promptly as reasonably practicable following the date hereof and (ii) obtain any consents and approvals (or waivers thereof) of any Governmental Body, in each case that are required to permit the consummation of the transactions contemplated by this Agreement as determined by Purchaser upon the advice of its counsel. Each of Purchaser, on the one hand, and Sellers, on the other hand, shall advise each other as to material developments with respect to the status of receipt of such consents, approvals and waivers. Each of Purchaser, on the one hand, and Sellers, on the other hand, shall promptly respond to any requests for additional information from any Governmental Body in respect of any required consents, approvals and waivers. Purchaser shall pay all filing and related fees in connection with any such filings. Each of Purchaser, on the one hand, and Sellers, on the other hand, shall, and shall cause their Affiliates to, and shall instruct their respective

counsel to, cooperate with each other and use reasonable commercial efforts to facilitate and expedite the identification and resolution of any issues arising under any filings with any Governmental Authorities. Such reasonable commercial efforts and cooperation include counsel's undertaking (i) to keep each other appropriately informed of communications from and to personnel of the reviewing Governmental Bodies, and (ii) to confer with each other regarding appropriate contacts with and response to personnel of such Governmental Bodies and the content of any such contacts or presentations. None of Purchaser, on the one hand, or any of the Sellers, on the other hand (nor any advisors, representatives or agents on behalf of any such Person) shall participate in any meeting or discussion with any Governmental Body with respect of any such filings, applications, investigation or other inquiry without giving the other party prior notice of the meeting or discussion and, to the extent permitted by the relevant Governmental Body, the opportunity to attend and participate in such meeting or discussion (which, at the request of Purchaser or Royal Interco, shall be limited to outside antitrust counsel only).

6.5 **Employee Matters.**

(a) No later than ten (10) Business Days prior to the Closing, Sellers will make available to Purchaser a true, accurate and complete final version of the list described in Section 4.15(a) brought down to such date, which reflects solely the changes permitted or consented to by Purchaser under Section 6.10(b)(ix) and which will reflect each Business Employee's name, supervisor or reporting relationship, employment status (active or leave, but not the reason for the leave, and, if applicable, the expected return date) and, with respect to employee benefits, (i) the extent to which such has not satisfied any applicable waiting periods, eligibility, vesting requirements, (ii) the level of benefits for which such employee is then eligible, including the extent to which any limitations as to pre-existing conditions, exclusions, waiting periods, and actively at work requirements have been satisfied or waived, and the extent to which any deductible, co-insurance and covered out-of-pocket expenses have been satisfied. Following receipt of such revised list and up to three (3) Business Days prior to the Closing Date, Purchaser may add any number or subtract up to twenty-five (25) Business Employees from such revised list in Purchaser's sole discretion (such list, as further revised by Purchaser, the "Final List").

(b) No later than two (2) Business Days prior to the Closing Date (or, in the case of a Business Employee on leave, no later than two (2) Business Days following the expiration of such Business Employee's absence under applicable Law or policy of Sellers; provided such Business Employee returns within six (6) months after the Closing Date), Purchaser shall, or shall cause an affiliate of Purchaser to make offers of employment, effective immediately after the Closing Date and contingent only upon the Closing (or, for a Business Employee on leave, the date that is no later than four (4) Business Days following the expiration of such Business Employee's absence under applicable Law or policy of Sellers and contingent only on the Closing) , but, in each case, subject to Purchaser's right to require successful completion of customary employee background checks prior to offering employment to any such employee, to each Business Employee listed on the Final List (subject to, for a Business Employee on leave, such Business Employee returning within six (6) months after the Closing Date) on terms and conditions substantially similar to those applicable to similarly situated employees of Purchaser as of the Closing Date. Effective as of the Closing Date, such employees who accept employment (including by merely reporting for work) with Purchaser as of or after the Closing Date are referred to herein as "Transferred Employees". Effective as of the Closing Date, 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, including by making each such Business Employee on the Final List reasonably accessible to Purchaser. Purchaser's obligations under this Agreement are not conditioned upon any particular employees agreeing to employment with Purchaser. Notwithstanding any provision herein to the contrary, during the 12-month period immediately following the Closing Date, Purchaser shall provide Sellers with reasonable access to any management level Transferred Employee and enable any such Transferred Employee to respond to inquiries reasonably made by Sellers, or any of them, to the extent any such Transferred Employee has actual knowledge of matters that would assist Sellers, or any of them, with winding up their business and affairs, as determined by Sellers in their reasonable discretion; provided that any such access or response may not exceed, individually or in the aggregate, more than five hours during any consecutive seven-day period. Notwithstanding anything to the contrary in this Agreement, it shall not be deemed a breach of this Agreement, and Purchaser shall not be responsible for any Liability resulting from, if Purchaser is unable to make offers to such employees in accordance with this Section 6.5 due to any delay resulting from untimely receipt of accurate information reasonably necessary to make an offer of employment from Sellers described in Section 6.5(a).

(c) Effective as of the Closing (or, for a Business Employee on leave, the date such Business Employee becomes a Transferred Employee), Transferred Employees shall cease to participate in all Employee Benefit Plans (other than as a former employee of Sellers to the extent, if any, permitted by the terms of such Employee Benefit Plan). The parties hereto intend that solely for purposes of any severance or termination benefit plan, program, policy, agreement or arrangement of Sellers, or Purchaser or any of its Affiliates, the transactions contemplated by this Agreement shall not constitute a termination of employment of any Transferred Employee prior to or upon the consummation of such transactions. For purposes of all other Employee Benefit Plans, Transferred Employees will be considered to have terminated employment with Sellers immediately after the Closing Date (or, for a Business Employee on leave, the date such Business Employee becomes a Transferred Employee).

(d) Purchaser shall be liable for (i) all obligations under (including providing any notice required pursuant to) the WARN ACT, any successor Law, and any other applicable plant closing notification Law, with respect to a layoff or plant closing with respect to the Business solely to the extent any such obligation arises after the Closing or the Transferred Employees, and (ii) all pay in lieu of notice and any withholding and employer paid employment taxes incurred by Sellers under such Laws due to Purchaser's failure to comply with its obligation to make offers of employment on substantially similar terms in breach of this Section 6.5 (other than as set forth in Section 6.5(b)). For the avoidance of doubt, Purchaser does not assume obligations and liabilities for WARN Act compliance (x) relating to the Business that arises prior to the Closing Date or (y) with respect to Excluded Assets or Sellers' disposition thereof or Sellers' employees other than Transferred Employees that arise following the Closing Date, including any Business Employee on leave who does not become a Transferred Employee.

(e) The Purchaser will use its commercially reasonable efforts to recognize the service of Transferred Employees prior to the Closing Date as service with the Purchaser in connection with any qualified defined contribution plan and employee welfare benefit plan and policy (including vacations and severance policies) maintained by the Purchaser which is made

available following the Closing Date by the Purchaser for purposes of any waiting period, vesting, eligibility and benefit entitlement (provided that (i) Sellers recognized such service under a substantially similar Employee Benefit Plan immediate prior to the Closing, (ii) the 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 the Purchaser's plan or policy and (iii) such crediting shall not result in the duplication of benefits with respect to any Transferred Employee).

(f) Sellers shall provide Purchaser with all documents, employee data or other information relating to the Employee Benefit Plans, *provided* that Purchaser shall execute mutually agreeable confidentiality documents or other similar agreements as necessary to comply with applicable laws protecting the confidentiality of such documents, data and information.

(g) 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. Sellers shall be responsible for the payment of and shall pay all outstanding Liabilities owed to Sellers' employees that arose or originated prior to the Closing. Purchaser shall be responsible for payment of and shall pay all Liabilities owed to the Transferred Employees that arise in respect of employment after the Closing.

(h) Notwithstanding anything in this Section 6.5 to the contrary, nothing contained herein, whether express or implied, shall 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 Purchaser 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. 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.

6.6 **Tax Matters.**

(a) **Transfer Taxes.** Notwithstanding anything to the contrary in this Agreement, Purchaser shall bear and be responsible for all sales, use, transfer, stamp, conveyance, value added or other similar Taxes, duties, excises or governmental charges imposed by any Tax authority, domestic or foreign, recording or filing fees, notarial fees and other similar costs of Closing, in each case, imposed on the sale and purchase of the Acquired Assets and the assumption

of the Assumed Liabilities hereunder. Purchaser and Sellers shall cooperate to prepare, timely file, and provide to the other party any Tax Returns relating to the amounts described in the foregoing sentence.

(b) **Cooperation.** 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, Assumed Liabilities, or the Business (ii) the determination of liability for Taxes or a right to refund of Taxes pursuant to this Agreement or (iii) the conduct of any Tax Proceeding relating to the Acquired Assets, the Assumed Liabilities, or the Business.

(c) **Straddle Period Tax Returns.** 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.

6.7 **Casualty.** If, between the date of this Agreement and the Closing, any of the Acquired Assets shall be destroyed or damaged in whole or in part by fire, earthquake, flood, other casualty, or any other cause (each a “Casualty”), then Purchaser shall have the option to: (a) acquire such Acquired Assets on an “as is” basis and take an assignment from Sellers of all insurance proceeds payable to Sellers in respect of the applicable Casualty (and Sellers shall reasonably cooperate to pursue such proceeds from the applicable insurer as promptly as practicable and shall assign such proceeds to Purchaser or its designee); or (b) in the event that the applicable Casualty would have a Material Adverse Effect, terminate this Agreement and the transactions contemplated hereby.

6.8 **Modification of a Schedule.** Between the date of this Agreement and the Closing Date, Sellers shall notify Purchaser of, and shall promptly supplement or amend a Schedule to this Agreement with respect to, any matter that (a) may arise after the execution date of this Agreement by Purchaser and that, if existing or occurring at or prior to the execution date of this Agreement by Purchaser, would have been required to be set forth or described in a Schedule to this Agreement or (b) makes it necessary to correct any information (including incomplete or missing information) in a Schedule or in any representation and warranty of Sellers that has been rendered inaccurate thereby. Each such notification or supplementation shall be made promptly. No supplement or amendment to a Schedule (including delivery of previously incomplete or missing information) to this Agreement or any delivery of a Schedule after the execution date of this Agreement by Purchaser (unless expressly acknowledged and agreed by Purchaser in its sole and absolute discretion, as a cure or modification) shall be deemed to cure any inaccuracy of any representation or warranty made in this Agreement or impair Purchaser’s right to terminate this Agreement

pursuant to Section 7.1. Notwithstanding anything in this Agreement to the contrary, the Purchaser may, in its sole and absolute discretion, amend or revise Schedule 2.1(e) setting forth the Assigned Contracts, in order to add any Contract to, or eliminate any Contract from, such Schedule at any time during the period commencing on the date of this Agreement and ending on the date that is three (3) Business Days prior to the Closing; *provided, however*, that Purchaser shall not, and shall not have the right to, eliminate the Sale Leaseback Agreement as an Assigned Contract. Automatically upon the addition of any Contract to Schedule 2.1(e), it shall be an Assigned Contract for all purposes of this Agreement. Automatically upon the removal of any Contract from Schedule 2.1(e), it shall be an Excluded Asset for all purposes of this Agreement, and no liabilities arising thereunder shall be assumed or borne by the Purchaser unless such liability is otherwise specifically assumed hereunder.

6.9 **Title and Survey.** Sellers agree that it will provide commercially reasonable assistance to Purchaser as Purchaser may reasonably request in connection with the compilation of title to the Owned Real Property and in connection with Purchaser's efforts to obtain title insurance policies by a nationally recognized title company (the "Title Company") on behalf of itself and/or its lender, including by providing customary affidavits, including standard indemnities, and other similar instruments as are reasonably required by the Title Company for the deletion of any standard or printed exceptions in any title insurance policies issued pursuant thereto that are customarily deleted by virtue of a seller delivering such instruments in commercial real estate transactions in the state or province in which the Owned Real Property which is the subject of such a title insurance policy is located. Such cooperation by Sellers and its Subsidiaries shall include providing Purchaser and the Title Company copies of, with respect to the Owned Real Property, reasonably requested existing surveys, maps, existing title reports and title insurance policies and true and complete copies of the encumbrance documents identified therein, to the extent the same are not publicly available. Between the date of this Agreement and the Closing, Purchaser may obtain, at Purchaser's sole cost, such surveys or updates to surveys of the Owned Real Property (the "Purchaser's Surveys") and, upon reasonable prior written notice, Sellers shall afford to Purchaser and all surveyors acting on Purchaser's behalf such access during normal business hours to the Owned Real Property as is reasonably required to permit such surveyors to conduct surveys and prepare Purchaser's Surveys. Notwithstanding the foregoing, to the extent that Purchaser chooses to use a survey provided by Sellers in connection with obtaining a title insurance policy, Sellers will execute a standard affidavit stating that no change has been made by Sellers to the improvements shown on such survey.

6.10 **Conduct of Business of Seller.** Purchaser acknowledges that, following the commencement of the Chapter 11 Cases, Sellers will be operating the Business in the context of the Chapter 11 Cases. Subject to the foregoing, except (i) as required by applicable Law, Order or a Governmental Body, (ii) any limitations on operations imposed by the Bankruptcy Court or the Bankruptcy Code to the extent required in connection with the Chapter 11 Cases, (iii) as expressly contemplated, required or permitted by this Agreement, (iv) to the extent related to an Excluded Asset or an Excluded Liability or (v) as set forth on Schedule 6.10, during the period from the date of this Agreement until the Closing (or such earlier date and time on which this Agreement is

terminated pursuant to Article VII), unless Purchaser otherwise consents in writing (such consent not to be unreasonably withheld, delayed or conditioned):

(a) each Seller shall use its commercially reasonable efforts to (A) carry on its business in the Ordinary Course of Business in all material respects, (B) preserve its relationships with its employees, officers, and material customers and vendors and (C) maintain any license, authorization, Permit and insurance that are required in connection with, or otherwise related to, the operation of the Business in the Ordinary Course of Business;

(b) each Seller agrees that it shall not:

(i) (A) incur, assume or otherwise become liable for any indebtedness for borrowed money, issue or sell any debt securities or warrants or other rights to acquire any debt securities of Seller, guarantee any such indebtedness or any debt securities of another Person or enter into any “keep well” or other agreement to maintain any financial statement condition of another Person (collectively, “Indebtedness”), except (1) for letters of credit, bank guarantees, security or performance bonds or similar credit support instruments, overdraft facilities or cash management programs, in each case issued, made or entered into in the Ordinary Course of Business, (2) for Indebtedness incurred under existing arrangements (including in respect of letters of credit) in an amount not to exceed \$500,000 in the aggregate outstanding at any time and (3) Indebtedness incurred in connection with the refinancing of any Indebtedness existing on the date of this Agreement or permitted to be incurred, assumed or otherwise entered into hereunder; *provided* that no such refinancing Indebtedness shall have a principal amount greater than the principal amount of the Indebtedness being refinanced (plus any applicable premiums, defeasance costs, accrued interest, fees and expenses) and shall not include any greater prepayment premiums or restrictions on prepayment than the Indebtedness being refinanced, in each case of this clause (A), other than Excluded Liabilities, (B) enter into any swap or hedging transaction or other derivative agreements or (C) make any loans, capital contributions or advances to, or investments in, any Person;

(ii) sell or lease to any Person, in a single transaction or series of related transactions, any of the Acquired Assets (other than the Assigned IP) for consideration, except Ordinary Course of Business dispositions of obsolete, surplus or worn out assets or assets that are no longer used or useful in the conduct of the Business of Seller;

(iii) make any acquisition of, or investment in, another business (whether by asset, stock or other equity, or merger);

(iv) make any changes in financial accounting methods, principles or practices affecting the consolidated assets, Liabilities or results of operations of Seller, except insofar as may be required (A) by GAAP (or any interpretation thereof), (B) by any applicable Law, Governmental Body or quasi-governmental authority;

(v) grant any Lien on any of its Acquired Assets other than to secure indebtedness and other obligations in existence at the date of this Agreement (and required to be so secured by their terms);

(vi) waive, release, assign, settle or compromise any pending or threatened Action against Seller to the extent that such waiver, release, assignment, settlement or compromise would (A) result in an Assumed Liability in an amount in excess of \$50,000, individually or in the aggregate, (B) waive or release any material rights or claims that would constitute Acquired Assets or (C) impose any material limitations on the conduct or operation of the Business or include any obligations that would be binding on Purchaser or its Affiliates following the Closing;

(vii) (A) make, change or revoke any Tax election; (B) settle or compromise any Tax Proceeding for an amount in excess of amounts reserved therefore (C) surrender any right to a Tax refund; (D) enter into or terminate any material closing agreement; or (E) request a Tax ruling;

(viii) terminate, fail to renew, abandon, cancel, allow to enter into the public domain or let lapse, encumber, subject to a Lien, license (including through covenants not to sue), sell, transfer or otherwise dispose of any Assigned IP;

(ix) except as required pursuant to the terms of any Employee Benefit Plan in effect as of the date hereof, or as otherwise required by applicable Law, (A) increase in any manner the compensation or benefits of any Business Employee, (B) enter into, adopt, amend or terminate any Employee Benefit Plan, or accelerate payment or vesting of amounts or benefits or amounts payable or to become payable under any Employee Benefit Plan, in each case, in respect of Business Employees, (C) hire or terminate any Business Employee other than for cause or (D) implement any employee layoffs that could implicate the WARN Act;

(x) (A) amend or otherwise modify any term of, or terminate or waive any right under any Material Contract or enter into any Contract that would have been a Material Contract if in effect on the date of this Agreement, or (B) reject any Material Contract under section 365 of the Bankruptcy Code;

(xi) extend employment to, or hire, any employee or officer providing annual base compensation in excess of \$75,000 or terminate any such employee or officer with an annual base compensation in excess of \$75,000 other than a termination for cause or due to permanent disability (provided that such termination due to permanent disability is in accordance with Law); or

(xii) authorize any of, or commit or agree, in writing or otherwise, to take any of, the foregoing actions.

(c) Nothing contained in this Agreement is intended to give Purchaser or its Affiliates, directly or indirectly, the right to control or direct Sellers' operations or business prior to the Closing, and nothing contained in this Agreement is intended to give any Seller, directly or indirectly, the right to control or direct Purchaser's or its Affiliates' operations. Prior to the Closing, each of Purchaser and Sellers shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision over its respective operations.

6.11 **Intellectual Property Matters.** As of and following the Closing, neither Sellers nor their Affiliates will, directly or indirectly (i) exploit, disclose, or make use of all or any part of

the Assigned IP or (ii) attempt to register any Trademark included in the Assigned IP or any Trademark confusingly similar thereto; and Sellers and their Affiliates will consent to, and not challenge or interfere with the Purchaser's or its Affiliates' efforts to apply for, defend or enforce registrations for, and rights in, any Assigned IP worldwide, or the use or ownership thereof by the Purchaser and its Affiliates. Without limiting the foregoing, as of the Closing, Sellers shall, and shall cause their Affiliates to (x) cease to, and not at any time thereafter, hold itself or themselves out as having any affiliation or association with the Business or the Purchaser or any of its Affiliates, except to the extent Sellers would be permitted to do so under the fair use doctrine under applicable Law and (y) with respect to any Seller or any Affiliate thereof whose corporate name, business name, trade name or fictitious name includes a Trademark included in the Assigned IP, to change its name within one (1) month after Closing to a name that does not include any such Trademark or any Trademark confusingly similar thereto, including making any filings with any Governmental Body necessary to effect such change.

6.12 Removal or Disposal of Excluded Assets. Sellers shall use their reasonable best efforts to remove any Excluded Assets from the Real Property prior to the Closing. Notwithstanding anything to the contrary contained in Section 6.4, in the event that an Excluded Asset is not removed prior to the Closing Date, such Excluded Asset shall be deemed an Acquired Asset, and shall be transferred to Purchaser free and clear of all Lien and Liability, without any adjustment to the Cash Purchase Price. For the avoidance of doubt, following the Closing, Purchaser shall have the right to dispose of any such asset in its sole discretion and shall be entitled to any proceeds in connection therewith.

6.13 Confidentiality.

(a) Sellers acknowledge that from and after the Closing, all Confidential Information relating to the Acquired Assets and Assumed Liabilities will be valuable and proprietary to the Purchaser and its Affiliates. Each Seller agree that, from and after the Closing, Seller will not, and will cause its Affiliates and Representatives not to, directly or indirectly, without the prior consent of the Purchaser, disclose to any Person any Confidential Information relating to the Purchaser and its Affiliates, the Acquired Assets or the Assumed Liabilities. In furtherance of the foregoing, each Seller shall, and shall cause its Affiliates to, at the Seller's option, (i) assign to the Purchaser or its Affiliates all rights under any confidentiality agreement between the Seller and its Affiliates and any other prospective bidder with respect to the Business or (ii) designate the Purchaser, effective as of the Closing, as a third-party beneficiary entitled to enforce the terms of any confidentiality agreement between the Seller and its Affiliates and any other prospective bidder with respect to the Business.

(b) If a Seller is required by Law to make any disclosure that is prohibited or otherwise constrained by this Section 6.13, Seller will provide the Purchaser with prompt notice of such compulsion or request so that it may seek an appropriate protective order or other appropriate remedy or waive compliance with the provisions of this Section 6.13. In the absence of a protective order or other remedy, Seller may disclose that portion (and only that portion) of the Confidential Information relating to the Acquired Assets or the Assumed Liabilities that, based upon advice of the Seller's counsel, Seller is legally compelled to disclose; *provided, however*, that Seller will use commercially reasonable efforts to obtain reliable assurance that confidential treatment will be accorded by any Person to whom any Confidential Information is so disclosed.

**ARTICLE VII
TERMINATION; EFFECT OF TERMINATION**

7.1 **Termination.** This Agreement may, by notice given prior to or at the Closing, be terminated:

- (a) by mutual consent of Purchaser and Sellers;
- (b) by Sellers or Purchaser in the event the Closing has not occurred on or before June 13, 2025 (the “Outside Date”); *provided*, that the Outside Date shall automatically and without any action of any of the Parties be extended until July 1, 2025, if the sole reason that Closing has not then occurred is for failure to satisfy the condition as set forth in Section 3.4(b) of this Agreement and the non-terminating Party is acting in good faith to satisfy such condition to Closing;
- (c) by Purchaser if Sellers consummate a sale of all or part of the Acquired Assets to a third party other than Purchaser;
- (d) by Sellers if Purchaser fails to make the Deposit in accordance with this Agreement;
- (e) by Sellers or Purchaser if there is in effect a final non-appealable Order of a Governmental Body of competent jurisdiction, enjoining or otherwise prohibiting the consummation of the Transactions;
- (f) by Sellers or Purchaser if Sellers enter into a definitive agreement with respect to an Alternative Transaction and the Bankruptcy Court enters an order approving the Alternative Transaction; *provided, however*, that if the Auction is held and Purchaser is designated as the Back-Up Bidder than this Agreement shall not terminate pursuant to this Section 7.1(f) until the closing of the Alternative Transaction with the Successful Bidder;
- (g) by Sellers or Purchaser if the Bankruptcy Court shall have stated unconditionally that it will not enter the Sale Order approving the sale to Purchaser;
- (h) by Purchaser if following entry by the Bankruptcy Court of the Sale Order, the Sale Order is amended, modified or supplemented without Purchaser’s prior written consent or is voided, reversed or vacated (*provided* that Purchaser shall not be able to terminate this Agreement pursuant to this Section 7.1(h) if, prior to such termination, the Sale Order shall have become a Final Order or if Purchaser’s rights in the Transaction are not materially or adversely affected by such action by virtue of the protections of Section 363(m) of the Bankruptcy Code or otherwise);
- (i) by the non-breaching party upon a material breach of any provision of this Agreement; *provided* that such breach has not been waived by the non-breaching party and has continued after notice to the breaching party by the non-breaching party, without cure for a period of five (5) Business Days (*provided* that the non-breaching party shall have an immediate right to terminate if the breaching party has willfully breached any provision of this Agreement); or

(j) by any party hereto by giving written notice to the other parties hereto 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(j) shall not be available to a party hereto if the failure to consummate the Closing because of such action by a Governmental Body shall be due to the failure of such party hereto to have fulfilled any of its obligations under this Agreement.

7.2 **Effect of Termination.**

(a) If this Agreement is terminated pursuant to Section 7.1, neither Purchaser nor Sellers shall have any Liabilities under this Agreement (except in respect of any fraud or willful breach of this Agreement prior to such termination); *provided, however*, that the obligations of Sellers in Section 8.2 shall survive and the Deposit shall be distributed in accordance with this Agreement. Distribution of the Deposit to Sellers shall be Sellers' exclusive remedy for breach of this Agreement by Purchaser except for fraud or willful breach of this Agreement by Purchaser. Notwithstanding the foregoing or any other provision to the contrary herein, the Parties hereby agree that no provision of 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. Subject to approval of the Bankruptcy Court, in consideration for Purchaser having expended considerable time and expense in connection with this Agreement and the negotiation thereof and the identification and quantification of the assets of Sellers and to compensate Purchaser as a stalking-horse bidder, in the event that (A) an Alternative Transaction has been consummated following approval by the Bankruptcy Court, (B) this Agreement is terminated by Purchaser pursuant to Section 7.1(i) or (C) this Agreement is terminated by Purchaser pursuant to Section 7.1(h) (but only in the case of a material amendment, modification or supplementation of the Sale Order without Purchaser's prior written consent), in each case, Sellers shall pay and Purchaser shall receive an amount of (x) a breakup fee equal to Three Million Seven Hundred and Eighty Thousand US Dollars (US\$ 3,780,000) (the "Seller Break Up Fee") *plus* (y) the amount of any reasonable expenses of Purchaser incurred in connection with the preparation, negotiation, documentation and consummation of the Acquisition (as set forth in the documented invoices of the applicable service provider, true, correct and complete copies of which shall have been provided to Sellers no later than three (3) Business Days after Purchaser's written receipt of Sellers' written notice of the consummation of such Alternative Transaction or termination) (the "Purchaser Acquisition Expenses"); *provided*, that Sellers' obligations in respect of the Purchaser Acquisition Expenses shall not exceed One Million Two Hundred and Sixty Thousand US Dollars (US\$ 1,260,000)) in the aggregate, by wire transfer of immediately available funds no later than five (5) Business Days after the consummation of such Alternative Transaction or termination, as applicable. Subject to approval of the Bankruptcy Court, the Seller Break Up Fee, the Purchaser Acquisition Expenses and the Additional Payment Amount (if negative) shall have superpriority administrative claim status in the Chapter 11 Cases pursuant to section 507(b) of the Bankruptcy Code, senior to all administrative expense priority claims including debtor in possession financing. The Seller Break Up Fee and the Purchaser Acquisition Expenses shall be paid to Purchaser in full upon consummation of an Alternative Transaction (as defined herein). Sellers acknowledge and agree that (i) the approval of the Seller Break Up Fee and the Purchaser Acquisition Expenses are an

integral part of the transactions contemplated by this Agreement, (ii) in the absence of Sellers' obligation to pay the Seller Break Up Fee and the Purchaser Acquisition Expenses, Purchaser would not have entered into this Agreement, (iii) the entry of Purchaser into this Agreement is necessary for the preservation of Sellers' Estate and is beneficial to Sellers because, in Sellers' business judgment, it will enhance each Seller's ability to maximize the value of its assets for the benefit of its creditors, (iv) the Seller Break Up Fee and the Purchaser Acquisition Expenses are reasonable in relation to Purchaser's efforts and to the magnitude of the transactions contemplated in this Agreement and Purchaser's lost opportunities resulting from the time spent pursuing such transactions, and (v) time is of the essence with respect to entry of the Bidding Procedures Order.

(c) The parties hereto acknowledge and agree that (i) it would be extremely difficult or impracticable to ascertain the actual damages that would be incurred in the event of a termination in the circumstances in which the Seller Break Up Fee and the Purchaser Acquisition Expenses are payable in accordance with this Agreement, (ii) the Seller Break Up Fee and the Purchaser Acquisition Expenses are not penalties, but rather constitute liquidated damages in a reasonable amount that will compensate Purchaser, without requiring Purchaser or any other Person to prove actual damages, in the circumstances in which such amount(s) are payable for the efforts and resources expended and opportunities foregoing while negotiating this Agreement and in reliance upon this Agreement and on the expectation of the consummation of the Transactions and (iii) the agreements contained in this Section 7.2 are an integral part of the transactions contemplated by this Agreement, and that without these provisions, the parties hereto would not enter into this Agreement.

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 INVESTIGATION OF THE CONDITION OF CERTAIN ACQUIRED ASSETS AND SUCH OTHER MATTERS RELATING TO OR AFFECTING THE ACQUIRED ASSETS AS PURCHASER DEEMS NECESSARY OR APPROPRIATE AND IN PROCEEDING WITH THE ACQUISITION, EXCEPT FOR ANY REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH IN ARTICLE IV, PURCHASER IS DOING SO BASED SOLELY UPON SUCH INDEPENDENT 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.** Unless the context requires, (a) references to the plural include the singular and references to the singular include the plural, (b) references to any gender includes the other gender, (c) the words "include," "includes" and

“including” do not limit the preceding terms or words and shall be deemed to be followed by the words “without limitation”, (d) the terms “hereof”, “herein”, “hereunder”, “hereto” and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement, (e) all references to financial or accounting terms shall be defined in accordance with GAAP and (f) all references to Sections, Articles, Exhibits or Schedules are to Sections, Articles, Exhibits or Schedules of or to this Agreement.

8.4 **Survival; Termination of Representations and Warranties.** 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 six (6) 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 hereto; *provided*, that any material amendment hereto shall also require the prior written consent of Agent.

8.6 **Waiver.** The waiver by a party hereto of a breach of any covenant, agreement, condition or undertaking contained herein shall be made only by a written waiver in each case. 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. Any material waiver hereunder by any Seller or Sellers shall also require the prior written consent of Agent.

8.7 **Notices.** All notices, requests and other communications hereunder will be deemed to have been duly given if (a) delivered personally, (b) by an established overnight delivery company, (c) by certified or registered mail, postage prepaid, return receipt requested, or (d) by email as follows:

If to Sellers:

Royal Interco, LLC

Attn: Alison Watts
711 North 17th Avenue
Phoenix, AZ 85007
Email: awatts@royalpaper.us
with a copy to:

Morris, Nichols, Arsht & Tunnell LLP

Attn: Robert J. Dehney, Matthew O. Talmo, and Scott D. Jones

1201 N. Market St.
Suite 1600

Wilmington, DE 19801
Email: rdehney@morrisnichols.com
mtalmo@morrisnichols.com
sjones@morrisnichols.com

and with copies (which shall not constitute notice) to:

NXT Capital, LLC, as Agent
191 N. Wacker Drive
30th Floor
Chicago, IL 60606
Attn: Joseph Levenstein
Email: Joseph.Levenstein@nxtcapital.com

and

Goldberg Kohn Ltd.
55 E. Monroe Street
Suite 3300
Chicago, IL 60603
Attn: Randall Klein; William Loesch
Email: Randall.Klein@goldbergkohn.com; William.Loesch@goldbergkohn.com

If to Purchaser:

Sofidel America Corp.
300 Welsh Road, Building One
Horsham, PA 19044-2248
Attention: Luca Colageo
Email: Luca.Colageo@sofidel.com

with a copy to:

Cleary Gottlieb Steen & Hamilton LLP
One Liberty Plaza
New York, NY 10006
Attention: Charles W. Allen; Sean A. O'Neal; Thomas S. Kessler
Email: callen@cgsh.com; soneal@cgsh.com; tkessler@cgsh.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 (a) actually delivered if delivered personally or by an established overnight delivery company, (b) upon actual receipt if delivered by certified or registered mail, postage prepaid, return receipt requested or (c) on the date the delivering Party receives an affirmative confirmation (excluding automatic acknowledgement of receipt) from the Party to whom notice was intended (or if such affirmative confirmation is not received on the day of delivery, on the next Business Day following the date of delivery).

8.8 **Jurisdiction.** Each Party irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the Bankruptcy Court for any litigation arising out of or relating to this Agreement and the transactions contemplated thereby (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 Parties agree that the state or federal courts in the County of New Castle, State of Delaware, shall have jurisdiction.

8.9 **Governing Law.** To the extent not governed by the Bankruptcy Code, this Agreement 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 laws.

8.10 **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, EXCEPT IN THE CASE OF FRAUD, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

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

8.12 **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.

8.13 **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.

8.14 **Assignment; Successors and Assigns.** This Agreement and the rights, duties and obligations hereunder may not be assigned by Sellers without the prior written consent of Purchaser, and any attempted assignment without consent shall be void. Purchaser may assign this Agreement or its rights, interests, and obligations hereunder and to the Acquired Assets and the Assigned Contracts in whole or in part to one or more of any of its affiliates in its sole discretion, *provided*, that, if Purchaser so assigns, Purchaser remains bound and the assignee is able to fully discharge all of Purchaser's obligations under this Agreement. Upon any such permitted assignment, the references in this Agreement to Purchaser shall also apply to any such assignee(s) unless the context otherwise requires. Subject to this Section 8.14, this Agreement and

the provisions hereof shall be binding upon each of the parties hereto, their successors and permitted assigns.

8.15 **No Third-Party Rights.** The parties hereto do not intend to confer any benefit hereunder on any Person other than the parties hereto; *provided*, that notwithstanding the foregoing, Agent is a third party beneficiary of this Agreement.

8.16 **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 Parties agree that this Agreement and any Ancillary Agreements may be electronically signed to the maximum extent permitted by Law, and that electronic signatures appearing on this Agreement or any Ancillary Agreements are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility. 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.

8.17 **Waiver of Trial by Jury.** THE PARTIES TO THIS AGREEMENT EACH HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (A) ARISING UNDER THIS AGREEMENT OR THE ANCILLARY AGREEMENTS OR (B) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO IN RESPECT OF THIS AGREEMENT, THE ANCILLARY AGREEMENTS OR ANY OF THE TRANSACTIONS RELATED HERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. THE PARTIES TO THIS AGREEMENT EACH HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT THE PARTIES TO THIS AGREEMENT MAY FILE A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY. **Entire Agreement.** All Exhibits, Schedules and the Seller Disclosure Letter attached hereto are hereby incorporated into this Agreement by reference and made a part hereof. This Agreement and the Ancillary Agreements constitute the entire understanding and agreement of the Parties with respect to the subject matter hereof and thereof and supersede any and all prior understandings, negotiations, or agreements among the Parties of any nature, whether written or oral.

(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:

ROYAL INTERCO, LLC, a Delaware limited liability company

Signed by:
By Michael Ragano
Name: Michael Ragano
Title: Chief Restructuring Officer

SUN PAPER COMPANY, LLC, a Delaware limited liability company

Signed by:
By Michael Ragano
Name: Michael Ragano
Title: Chief Restructuring Officer

ROYAL PAPER, LLC, an Arizona limited liability company

Signed by:
By Michael Ragano
Name: Michael Ragano
Title: Chief Restructuring Officer

DOUBLETREE PAPER MILLS, L.L.C., an Arizona limited liability company

Signed by:
By Michael Ragano
Name: Michael Ragano
Title: Chief Restructuring Officer

PURCHASER:

SOFIDEL AMERICA CORP.

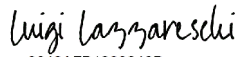
DocuSigned by:
By: 
0643AFB1390246D...
Name: Luigi Lazzareschi
Title: Director, President

EXHIBIT A

Bidding Procedures

[See attached.]

BID PROCEDURES

On April 8, 2025, Royal Interco, LLC, Royal Paper, LLC, Doubletree Paper Mills, L.L.C. and Sun Paper Company, 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. 25-10674 (____), 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 Sofidel America Corp. (the “Stalking Horse Bidder”), substantially in the form attached to the Sale Motion as Exhibit [•], 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 in (i)(A) the amount of One Hundred Twenty-Six Million US Dollars (US\$ 126,000,000) (the “Base Purchase Price”), plus (B) the Inventory Adjustment Amount, minus (C) the Sale Leaseback Adjustment, minus (D) the Cure Costs Adjustment Amount (the result of the forgoing calculation, the “Cash Purchase Price”) and (ii) the assumption by Purchaser of the Assumed Liabilities including payment of the Cure Amounts.

The Stalking Horse Agreement provides for payment of bid protections in the form of a break-up fee in the amount of Three Million Seven Hundred and Eighty Thousand US Dollars (US\$ 3,780,000) (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 US\$ 1,260,000 (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 NXT Capital, LLC, as administrative agent for the Debtors’ senior secured lenders (in such capacity, “Prepetition Agent”) and “Postpetition Agent” (as defined in the interim and final orders authorizing the Debtors to obtain postpetition financing and use of cash collateral (the “DIP Orders”), the “Postpetition Agent”; together with Prepetition Agent, the “Agents”), each “Lender” (as defined in the Credit Agreement², the “Prepetition Lenders”) and each “Postpetition Lender” (as defined in the DIP

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

² Certain of the Sellers, as borrowers, the Agent and the Lenders are parties to that certain Credit Agreement dated as of June 15, 2018 (as amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”).

Orders, the “Postpetition Lenders”; together with the Prepetition Lenders, the “Lenders”) (the Agents and Lenders are 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, 711 N. 17th Avenue, Phoenix, AZ 85007, Attn: Michael Ragano (mragano@novo-advisors.com) and Dustin Bernstein (dbernstein@novo-advisors.com); (b) counsel to the Debtors: Morris, Nichols, Arsht & Tunnell LLP (“Morris Nichols”), 1201 N. Market Street. 16th Floor, P.O. Box 1347, Wilmington, DE 19899-1347, Attn: Robert J. Dehney, Sr. (rdehney@morrisnichols.com); Matthew O. Talmo (mtalmo@morrisnichols.com); Clint M. Carlisle (ccarlisle@morrisnichols.com); and Grace E. Venit (gvenit@morrisnichols.com); (c) Livingstone Partners LLC (“Livingstone”), 443 North Clark St, Chicago, IL 60654, Attn: Joseph Greenwood (greenwood@livingstonepartners.com) and Adam Green (green@livingstonepartners.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: Linda J. Casey (Linda.Casey@usdoj.gov); and (e) counsel to NXT Capital, LLC: (i) Goldberg Kohn, 55 E Monroe St, Suite 3300. Chicago, IL 60603, Attn: Randall Klein (randall.klein@goldbergkohn.com); Prisca Kim (prisca.kim@goldbergkohn.com); and Eva Gadzheva (eva.gadzheva@goldbergkohn.com); and (ii) Richards Layton & Finger, 920 N. King Street, Wilmington, Delaware 19801, Attn: John Knight (knight@rlf.com) and Paul Heath (heath@rlf.com); and (f) counsel to the Committee.

Key Dates

Event	Deadline
Deadline for Debtors to File Notice of Proposed Cure Amounts and Adequate Assurance	Five (5) business days after the Petition Date
Bid Procedures Hearing	May 1, 2025
Sale Objection Deadline	May 12, 2025, at 4:00 p.m. (ET)
Bid Deadline	May 12, 2025, at 4:00 p.m. (ET)
Deadline to Designate Qualified Bids	May 14, 2025
Auction	May 15, 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 and Objection to Assumption or Cure Amount (If Winning Bidder is Different Than Stalking Horse Bidder)	May 19, 2025, at 11:59 p.m. (ET)
Sale Hearing	May 20, 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 Livingstone an executed confidentiality agreement substantially in the form previously sent to Agents’ counsel on March 7, 2025 (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, after consultation with the Consultation Parties, determine at any time in their reasonable discretion 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”)³ to purchase some or all of the Debtors’ assets by May 12, 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, in consultation with the Consultation Parties, may reasonably determine, 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 Kurtzman Carson Consultants, LLC dba Verita Global (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

³ Promptly (and in any event within 1 business day after receipt), Debtors will provide all Bids (and all related materials) to the Agents.

Agreement; (ii) the Assumed Liabilities set forth in the Stalking Horse Agreement; (iii) the Bid Protections, and (iv) the minimum bid increment of \$500,000; 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”);

- 4) 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;
- 5) 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;
- 6) 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;
- 7) contain a description of how the Potential Bidder intends to treat the Debtors’ current employees;
- 8) provide a commitment to close by June 13, 2025;
- 9) not be conditioned on any contingency, including unperformed due diligence, obtaining financing, obtaining third-party consents, or any internal approval;
- 10) 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;
- 11) include (i) 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;
- 12) 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;

- 13) contain written evidence satisfactory to the Debtors, after 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;
- 14) 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 after consultation with Agents);
- 15) 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;
- 16) constitute a good faith, bona fide offer to effectuate the proposed transaction;
- 17) include a written acknowledgement by such Potential Bidder that it agrees to all of the terms for sale set forth in these Bid Procedures;
- 18) include an agreement to provide any other information reasonably requested by the Debtors; and
- 19) 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, after 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, after 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.

Notwithstanding anything herein to the contrary, without any further action of any kind: (a) each Agent (and any designee of each Agent, including, without limitation, any entity that may be formed by or on behalf of any of the applicable Lenders and each Lender (and any designee of such Lender) may submit a Bid and, in connection with any such Bid, is, and will be deemed to be, a Qualified Bidder for all purposes under and in connection with these Bid Procedures and may credit bid all or any portion of the Prepetition Debt and the Postpetition Debt (each as defined in the DIP Orders) in accordance with applicable law, including, without limitation, at any Auction; (b) any credit bid made by any Agent or any Lender (or such designee) is, and will be deemed to be, a Qualified Bid in each instance and for all purposes under and in connection with the Bid Procedures and will be deemed to be, and will be evaluated by the Debtors, and the Consultation Parties as, a cash Qualified Bid; and (c) subject to the proviso at the end of this sentence, Agents, Lenders and such designees will not be subject to the terms and conditions of the section entitled “Bid Requirements”: clauses (2), (3), (9), (11), (12), (13), and (18); *provided*, however, that (x) such Agent or such Lender (or any designee thereof) submitting a credit bid will provide a Good Faith Deposit, provided that such Good Faith Deposit shall consist of a reduction in the applicable secured claim of such Agent or such Lender in the Cases and will not be payable in cash notwithstanding anything to the contrary in these Bid Procedures and (y) any such bid must provide for the payment in full in cash of the Bid Protections. These Bid Procedures are subject to the terms and provisions of the DIP Orders.

In the event that the Agent or any Lender (or such designee) submits a Bid and is still participating in the Auction process, the Agent or such Lender (or such designee) shall no longer be considered a Consultation Party with respect to the assets for which it has submitted a Bid; provided, that if any such party indicates in writing that it is no longer a bidder for such assets, such party shall thereafter be considered a Consultation Party.

“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 and with the prior written consent of Agent (acting at the direction of the Required Lenders (as defined in the Credit Agreement) 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 May 15, 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, 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 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.

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, Notice Parties and Consultation Parties of the highest acceptable Qualified Bid, as determined by the Debtors in their reasonable discretion after consultation with the Consultation Parties (the "Baseline Bid"). The Debtors' determination of which Qualified Bid constitutes the Baseline Bid, in consultation with the Consultation Parties, 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 Agent, 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 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, after 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. The Debtors and their professionals will consult in good faith with the Consultation Parties throughout the Auction process.

During the Auction, bidding will begin initially with the Baseline Bid and subsequently continue in minimum increments of at least \$500,000 (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 accordance with these Bid Procedures; *provided*, however, that no portion of the consideration may include non-cash consideration without the prior written consent of Agents (acting at the direction of the requisite Lenders pursuant to the Prepetition Credit Agreement and Postpetition Credit Agreement (each as defined in the DIP Orders)). 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, after consultation with the Consultation Parties, will provide notice to each participant of the value ascribed by the Debtors to any such added, deleted, or modified provision or provisions, with such value being determined by the Debtors in their reasonable discretion, after 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 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 determine, in consultation with the Consultation Parties, 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 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 May 20, 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 the 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, with the prior written consent of Agent acting at the direction of the Required Lenders (as defined in the Credit Agreement), in their reasonable discretion and subject to the exercise of their business judgment, 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.

Nothing herein or contemplated hereby constitutes, or will be deemed to constitute or otherwise result in, the consent or approval of Agent or any Lender to any sale of the Acquired Assets, any Bid, or to any agreement, motion, document or pleading relating thereto, or the waiver or modification of any of the terms of, or any rights under, any existing agreement, instrument or document, including, without limitation, any Loan Documents (as defined in the Credit Agreement) any Postpetition Documents (as defined in the DIP Orders, or any default arising thereunder or relating thereto. Any and all rights of such parties to object or otherwise oppose any sale of the Acquired Assets, any Sale Order, Bid, or any agreement or document related thereto are hereby expressly preserved and reserved.

EXHIBIT B

Form of Bill of Sale and Assignment and Assumption Agreement

[See attached.]

BILL OF SALE AND ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS BILL OF SALE AND ASSIGNMENT AND ASSUMPTION AGREEMENT, dated as of [●], 2025 (this “Agreement”), is entered into by and among Royal Interco, LLC, a Delaware limited liability company (“Interco”), Sun Paper Company, LLC, a Delaware limited liability company (“Sun Paper”), Royal Paper, LLC an Arizona limited liability company (“Royal Paper”) and Doubletree Paper Mills, L.L.C., an Arizona limited liability company (“Doubletree” and together with Interco, Sun Paper and Royal Paper, the “Sellers” and each, individually, a “Seller”), and Sofidel America Corp., a Florida corporation (the “Purchaser”). Capitalized terms used but not otherwise defined herein have the meanings ascribed to such terms in the Purchase Agreement (as defined below).

WITNESSETH:

WHEREAS, the Purchaser and the Sellers have entered into that certain Asset Purchase Agreement, dated as of April 8, 2025 (as amended from time to time, together with the exhibits and schedules thereto, the “Purchase Agreement”), pursuant to which the Purchaser will acquire the Acquired Assets and assume the Assumed Liabilities pursuant to the terms and subject to the conditions set forth therein; and

WHEREAS, the Sellers and the Purchaser now desire to carry out the intent and purpose of the Purchase Agreement by the Sellers’ and the Purchaser’s execution and delivery of this Agreement evidencing and effecting the sale, transfer, assignment, conveyance and delivery to the Purchaser of the Acquired Assets and assumption, satisfaction, discharge and performance when due by the Purchaser of the Assumed Liabilities.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and the agreements set forth herein, in the Purchase Agreement and in the other Ancillary Agreements, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound, hereby agree as follows:

Section 1. Sale and Acceptance of Assets and Assignment of Rights. Each Seller hereby sells, transfers, assigns, conveys and delivers to the Purchaser, free and clear of all Liens of any and every kind, nature and description all of such Seller’s right, title and interest in, to and under all of the Acquired Assets (and, with respect to the Assigned IP, together with the right to all causes of action for any past, present, and future infringement, misappropriation, dilution thereof), effective as of the Closing. The Purchaser hereby purchases, accepts and acquires from each Seller, as applicable, free and clear of any and all Liens of any and every kind, nature and description all of such Seller’s right, title and interest in, to and under the Acquired Assets, effective as of the Closing.

Section 2. Assumption of Liabilities. The Purchaser hereby assumes and agrees to satisfy, discharge and perform when due all of the Assumed Liabilities effective as of the Closing upon the terms and subject to the conditions set forth in the Purchase Agreement and subject to the Sale Order. The Purchaser does not agree to assume or agree to satisfy, discharge or

perform when due (and shall not be deemed to have assumed or agreed to satisfy, discharge or perform) any of the Excluded Liabilities.

Section 3. Assignment of Certain Acquired Assets. Notwithstanding anything to the contrary herein, no asset shall be sold, assigned, conveyed, transferred or delivered pursuant to this Agreement as of the Closing Date if an attempted assignment, without the consent of a third party or pursuant to an order of the Bankruptcy Court under Sections 105, 363 and/or 365 of the Bankruptcy Code, would constitute a breach or in any way adversely affect the rights of Purchaser or any Seller (collectively, the “Non-Assignable Assets”). With respect to such Non-Assignable Assets, the provisions of Section 2.5 of the Purchase Agreement shall apply. Without limiting the generality of the foregoing, with respect to Non-Assignable Assets, 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.

Section 4. No Representations and Warranties. No Seller makes any representation or warranty, whether express or implied, herein with respect to the Acquired Assets or the Assumed Liabilities. Nothing contained in this Section 4 shall limit any representation or warranty contained in the Purchase Agreement.

Section 5. Subject to Purchase Agreement. The scope, nature, and extent of the Acquired Assets and Assumed Liabilities are expressly set forth in the Purchase Agreement. Nothing contained in this Agreement shall itself change, amend, extend or alter (nor shall it be deemed or construed as changing, amending, extending or altering) the representations and warranties, agreements, covenants, terms, conditions, limitations and other provisions of the Purchase Agreement in any manner whatsoever. This Agreement does not create or establish liabilities or obligations not otherwise created or existing under or pursuant to the Purchase Agreement. In the event of any inconsistency between the Purchase Agreement and this Agreement, the provisions of the Purchase Agreement shall govern and control. The parties hereto acknowledge and agree that the representations, warranties, covenants, agreements, conditions and indemnities contained in the Purchase Agreement will not be superseded hereby but will remain in full force and effect to the full extent provided therein.

Section 6. Absolute Transfer. The Parties hereto intend that the transfers effected by this Agreement shall constitute absolute and unconditional transfers subject to Section 6.4 (*Further Assurances*) of the Purchase Agreement.

Section 7. Attorney in fact. Each of Purchaser and Sellers hereby irrevocably constitutes and appoints Purchaser as its true and lawful attorney in fact, with full power of substitution, to endorse, assign, demand, sue for, recover, receive, release and discharge, in the name of the applicable Seller, any and all rights, demands, moneys, claims and causes of action of every kind and description whatsoever arising out of, incident to or in connection with the Acquired Assets.

Section 8. Additional Provisions. Section 6.4 (*Further Assurances*), 8.2 (*Transaction Expenses*), 8.3 (*Certain Interpretive Matters and Definitions*), 8.5 (*Amendment*), 8.6

(Waiver), Section 8.7 (Notices), 8.8 (Jurisdiction), 8.9 (Governing Law), 8.10 (Damages), 8.11 (Time is of the Essence), 8.12 (Severability), 8.13 (Titles and Headings), 8.14 (Assignment; Successors and Assigns), 8.15 (No Third-Party Rights), 8.16 (Execution of this Agreement), 8.17 (Waiver of Trial by Jury) and 8.18 (Entire Agreement) of the Purchase Agreement, are hereby incorporated by reference, and shall apply hereto, *mutatis mutandis*.

[Remainder of page intentionally left blank; signature pages follow]

IN WITNESS WHEREOF, the Sellers and the Purchaser have caused this Agreement to be executed on their behalf as of the date first written above.

SELLERS:

ROYAL INTERCO, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

SUN PAPER COMPANY, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

ROYAL PAPER, LLC, an Arizona limited liability company

By: _____
Name: _____
Title: _____

DOUBLETREE PAPER MILLS, L.L.C., an Arizona limited liability company

By: _____
Name: _____
Title: _____

PURCHASER:

SOFIDEL AMERICA CORP.

By: _____
Name: _____
Title: _____

EXHIBIT C

Form of Intellectual Property Assignment Agreement

[See attached.]

INTELLECTUAL PROPERTY ASSIGNMENT AGREEMENT

This INTELLECTUAL PROPERTY ASSIGNMENT AGREEMENT, dated as of [●], 2025 (this “Agreement”), is entered into by and among Royal Interco, LLC, a Delaware limited liability company (“Interco”), Sun Paper Company, LLC, a Delaware limited liability company (“Sun Paper”), Royal Paper, LLC an Arizona limited liability company (“Royal Paper”) and Doubletree Paper Mills, L.L.C., an Arizona limited liability company (“Doubletree” and together with Interco, Sun Paper and Royal Paper, the “Sellers”), and Sofidel America Corp., a Florida corporation (the “Purchaser”). Capitalized terms used but not otherwise defined herein have the meanings ascribed to such terms in the Purchase Agreement (as defined below).

W I T N E S S E T H:

WHEREAS, the Purchaser and the Sellers have entered into that certain Asset Purchase Agreement, dated as of April 8, 2025 (the “Purchase Agreement”), pursuant to which the Purchaser will acquire, among other things, all of right, title and interest of the Sellers in, to and under the Assigned IP (as defined below); and

WHEREAS, each of the Sellers and the Purchaser now desire to carry out the intent and purpose of the Purchase Agreement by the Sellers’ and the Purchaser’s execution and delivery of this Agreement evidencing and effecting the sale, transfer, assignment, conveyance and delivery to the Purchaser of each of the Sellers’ right, title and interest in, to and under the Assigned IP.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and the agreements set forth herein, in the Purchase Agreement and in the other Ancillary Agreements, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

Section 1. Assignment. Effective as of the Closing, each Seller hereby irrevocably sells, transfers, assigns, conveys and delivers to the Purchaser, free and clear of all Liens of any and every kind, nature and description all of such Seller’s right, title and interest in, to and under all of the Intellectual Property owned by such Seller, including (a) all rights to sue for and recover and retain damages for present, past and future infringement, misappropriation, dilution or other violation thereof, including all rights to and claims for damages, restitution, and injunctive and other legal and equitable relief for past, present, and future infringement, dilution, misappropriation, violation, misuse, breach, or default, with the right but no obligation to sue for such legal and equitable relief and to collect, or otherwise recover, any such damages, (b) any and all royalties, fees, income, damages, payments, and other proceeds now or hereafter due or payable with respect to any and all of the foregoing, (c) the Intellectual Property registrations and applications set forth on Schedule A, (d) the unregistered Trademarks set forth on Schedule B, (e) all rights of any kind whatsoever of a Seller accruing under any of the foregoing provided by applicable law of any jurisdiction, by international treaties and conventions, and otherwise throughout the world, (f) the right to prosecute, register, maintain, enforce and defend the foregoing and (g) all registrations and applications of the foregoing, including all issuances, extensions, and renewals thereof, together with the goodwill of the business connected with the use thereof, associated therewith or symbolized thereby (collectively, the “Assigned IP”). Effective as of the Closing, the Purchaser hereby purchases, accepts and acquires from each Seller,

as applicable, free and clear of any and all Liens of any and every kind, nature and description all of such Seller's right, title and interest in, to and under the Assigned IP.

Section 2. Recordation. The Sellers hereby authorize and request the Commissioner of Patents and Trademarks of the United States and the Office of the Register of Copyrights of the United States, and any official of any other jurisdiction or organization whose duty is to issue any applicable Assigned IP or any legal equivalent thereof, to record and register the Purchaser as the assignee and owner of all right, title and interest in, to and under the applicable Assigned IP.

Section 3. Further Assurances. Upon the request of the Purchaser, each Seller shall promptly execute any other documents and take any other actions reasonably required to give the Purchaser or its designee or assignee the full benefit of this Agreement, the transactions and the assignments contemplated by this Agreement, including the execution and delivery of any affidavits, declarations, oaths, exhibits, assignments, powers of attorney, or other documents, as may be necessary to effect, evidence, perfect or record such assignments in any applicable filing jurisdictions to the Purchaser or its designees or assignees. Each Seller hereby irrevocably grants the Purchaser power of attorney to execute and deliver any of the documents referenced in Sections 2 or 3 of this Agreement on such Seller's behalf in its name and to do all other lawfully permitted acts to transfer the Assigned IP to the Purchaser or its designee or assignee, to further the transfer, issuance, prosecution, and maintenance of all intellectual property rights therein, and to perfect the transfer of the Assigned IP, in each case to the full extent permitted by law. The power of attorney is coupled with an interest and shall not be impacted by a Seller's subsequent incapacity.

Section 4. No Third Party Beneficiaries. The parties hereto do not intend to confer any benefit hereunder on any Person other than the parties hereto.

Section 5. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

Section 6. Subject to Purchase Agreement. Nothing contained in this Agreement shall itself change, amend, extend or alter (nor shall it be deemed or construed as changing, amending, extending or altering) the terms or conditions of the Purchase Agreement in any manner whatsoever. The parties hereto acknowledge and agree that the representations, warranties, covenants, agreements, conditions and indemnities contained in the Purchase Agreement will not be superseded hereby but will remain in full force and effect to the full extent provided therein.

Section 7. Governing Law. To the extent not governed by the Bankruptcy Code, this Agreement 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 laws.

Section 8. Submission to Jurisdiction. The parties hereto agree that the Bankruptcy Court for the District of Delaware shall retain exclusive jurisdiction to resolve any controversy or claim arising out of or relating to this Agreement or the implementation or breach hereof.

Section 9. WAIVER OF JURY TRIAL. EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL

PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THE PURCHASE AGREEMENT.

Section 10. Absolute Assignment. The parties hereto intend that the assignments effected by this Agreement shall constitute absolute and unconditional assignments.

Section 11. Entire Agreement. This Agreement, the Purchase Agreement and the other Ancillary Agreements contain and constitute the entire agreement of the parties hereto with respect to the subject matter hereof and supersede all prior negotiations, agreements and understandings, whether written or oral, of the parties hereto.

Section 12. Amendment, Waiver and Termination. This Agreement may not be amended, modified or waived except by an instrument in writing signed on behalf of each party hereto.

Section 13. Counterparts. 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.

[Remainder of page intentionally left blank; signature pages follow]

IN WITNESS WHEREOF, the Sellers and the Purchaser have caused this Agreement to be executed on their behalf as of the date first written above.

SELLERS:

ROYAL INTERCO, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

SUN PAPER COMPANY, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

ROYAL PAPER, LLC, an Arizona limited liability company

By: _____
Name: _____
Title: _____

DOUBLETREE PAPER MILLS, L.L.C., an Arizona limited liability company

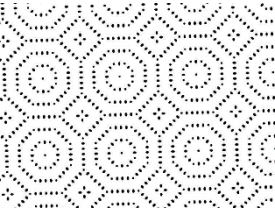
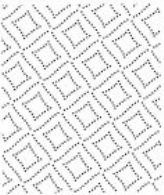
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Name: _____
Title: _____

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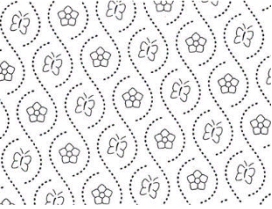
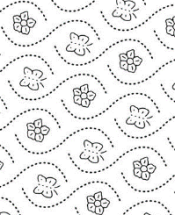
SOFIDEL AMERICA CORP.

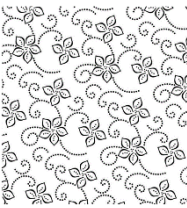
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Name: _____
Title: _____

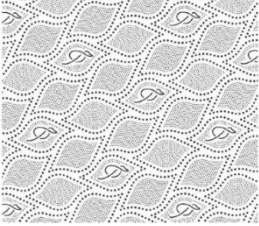
Schedule ARegistered Intellectual Property¹**Registered Trademarks:**

Trademark	Jurisdiction	Registered Owner	Reg. Number	Class-Goods/Services	Registration Date
Miscellaneous Embossing Design 	United States	Royal Paper, LLC	7,333,584 Supp Reg	16: Paper towels	Mar. 19, 2024
Miscellaneous Embossing Design 	United States	Royal Paper, LLC	6,207,654 Supp Reg	16: Paper napkins	Nov. 24, 2020
Miscellaneous Embossing Design (3 hearts) 	United States	Royal Paper, LLC	3,979,727 Supp Reg New app on Princ Reg filed	16: Paper napkins	Jun. 14, 2011
Miscellaneous Embossing Design (3 hearts)	United States	Royal Paper, LLC	7,289,581	16: Paper napkins	Jan. 23, 2024

¹ List to be confirmed prior to Closing.

Trademark	Jurisdiction	Registered Owner	Reg. Number	Class-Goods/Services	Registration Date
			Supp Reg		
Miscellaneous Embossing Design (butterfly/flower) 	United States	Royal Paper, LLC	3,956,215 Supp Reg	16: Toilet paper	May 03, 2011
Miscellaneous Embossing Design (older butterfly/flower) 	United States	Royal Paper, LLC	7,289,579 Supp Reg	16: Bathroom tissue; toilet paper	Jan. 23, 2024
Miscellaneous Embossing Design (newer butterfly/flower) 	United States	Royal Paper, LLC	7,289,580 Supp Reg	16: Bathroom tissue; toilet paper	Jan. 23, 2024
Embossing Design (Napkin 2 and 3 ply-"Pineapples and vines")	United States	Royal Paper, LLC	7,290,063 Supp Reg	16: Paper napkins	Jan. 23, 2024

Trademark	Jurisdiction	Registered Owner	Reg. Number	Class-Goods/Services	Registration Date
					
Embossing Design (Paper Towel Top-“Continuous leaf pattern”) 	United States	Royal Paper, LLC	7,134,838 Supp Reg.	16: Paper towels	Aug. 08, 2023
Embossing Design (Napkin 1-ply-“Continuous leaf pattern”) 	United States	Royal Paper, LLC	7,134,839 Supp Reg	16: Paper napkins	Aug. 08, 2023
Embossing Design (Bath 1-“Abstract flowers and swirls”) 	United States	Royal Paper, LLC	7,134,840 Supp Reg	16: Toilet paper	Aug. 08, 2023
Embossing Design (Bath 2-“Abstract leaf insert in sequential leaf pattern”)	United States	Royal Paper, LLC	7,134,841 Supp Reg	16: Toilet paper	Aug. 08, 2023

Trademark	Jurisdiction	Registered Owner	Reg. Number	Class-Goods/Services	Registration Date
					
EARTH FIRST (words only)	United States	Royal Paper, LLC	4,666,917 Princ Reg	16: Bathroom tissue; facial tissue; paper napkins; paper towels	Jan. 06, 2015
ECOFIRST (word only)	United States	Royal Paper, LLC	6,296,493 Princ Reg	16: Paper napkins; Paper tissues; Paper towels; Disposable napkins; Facial tissue; Toilet paper	Mar. 16, 2021
PLATINUM (word only)	United States	Royal Paper, LLC	2,588,939 Princ Reg	16: Paper towels, paper face tissues, paper napkins, and paper toilet tissues	Jul. 02, 2002
PLATINUM (word only)	Mexico	Royal Paper, LLC	853500	16: Toilet tissue, paper towels, paper napkins and facial tissue	Oct. 09, 2004
QUALITY PRODUCTS COME NATURALLY (words only)	United States	Royal Paper, LLC	5,967,551 Princ Reg	40: Custom manufacture of paper and paper products for others 42: Product design and development in the field of paper	Jan. 21, 2020

Trademark	Jurisdiction	Registered Owner	Reg. Number	Class-Goods/Services	Registration Date
				and paper products	
QUALITY PRODUCTS COME NATURALLY (words only)	United States	Royal Paper, LLC	6,404,187 Princ Reg	16: Paper towels; Toilet paper; Disposable napkins; Facial tissue; Paper napkins; Paper tissues	Jun. 29, 2021
ROYAL PAPER (words only)	United States	Royal Paper, LLC	2,571,415 Princ Reg	16: Paper towels, paper face tissues, paper napkins and paper toilet tissues	21-May-02
ROYAL PAPER & Design (Crown) 	United States	Royal Paper, LLC	7,075,135 Princ Reg	16: Facial tissue; paper napkins; paper tissues; paper towels; toilet paper; disposable napkins 40: Custom manufacture of paper and paper products for others 42: Product design and development in the field of paper and paper products	Jun. 06, 2023
SOFITELLE	United States	Royal Paper, LLC	2,145,503 Princ Reg	16: Toilet tissues, paper napkins, paper towels and facial tissues	Mar. 17, 1998

Trademark	Jurisdiction	Registered Owner	Reg. Number	Class-Goods/Services	Registration Date
SUPERSOFT (Stylized) 	United States	Royal Paper, LLC	6,367,221 Princ Reg	16: Paper towels; Toilet paper; Paper napkins	Jun. 01, 2021
SUPERSOFT & Design (black/white) 	United States	Royal Paper, LLC	6,466,056 Princ Reg	16: Paper towels; Paper napkins	Aug. 31, 2021
SUPERSOFT (Stylized) & Design (black/white) 	United States	Royal Paper, LLC	7,117,626 Princ Reg	16: Paper napkins; paper towels; toilet paper; disposable napkins Filed based on use since 12/2020	Jul. 25, 2023
SUPERSOFT (word only)	United States	Royal Paper, LLC	7,117,688 Princ Reg	16: Facial tissue; paper napkins; paper tissues; paper towels; toilet paper; disposable napkins	Jul. 25, 2023
AMERICANA	United States	Royal Paper, LLC	3,030,695	16: Facial tissue paper	Dec. 13, 2005

Trademark	Jurisdiction	Registered Owner	Reg. Number	Class-Goods/Services	Registration Date
FORESTA	United States	Royal Paper, LLC	6,169,687	16: paper products, namely, bath tissues, paper towels, napkins, facial tissue	Oct. 06, 2020

Domain Names:

Domain name	Expiration Date	Registrant
doubletreepaper.com	6/29/2029	Royal Paper, LLC
doubletreepaper.us	6/29/2029	Royal Paper, LLC
doubletreepapermills.com	6/29/2029	Royal Paper, LLC
doubletreepapermills.us	6/29/2029	Royal Paper, LLC
royalpaper.us	2/6/2029	Royal Paper, LLC
royalpaperconverting.com	7/26/2025	Royal Paper, LLC
royalpaperconverting.info	4/3/2029	Royal Paper, LLC
sunpapercompany.com	3/11/2028	Royal Paper, LLC

Schedule B
Unregistered Trademarks

Unregistered Trademarks:

THAT'S THE ROYAL TREATMENT	United States	Unregistered
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EXHIBIT D

Form of Short Form Trademark Assignment Agreement

[See attached.]

SHORT FORM TRADEMARK ASSIGNMENT AGREEMENT

This Short Form Trademark Assignment Agreement (this “Assignment”) is made and entered into as of [●], 2025 (“Effective Date”), by and between Royal Paper, LLC, an Arizona limited liability company (“Assignor”) and Sofidel America Corp., a Florida corporation (“Assignee”).

WHEREAS, RP Holdco, LLC, a Delaware corporation (“Seller”), an affiliate of Assignor, and Assignee are party to an Asset Purchase Agreement dated as of April 8, 2025 (the “APA”); and

WHEREAS, Assignor has agreed to sell, assign, transfer, convey and deliver to Assignee all of Assignor’s right, title and interest in and to the trademarks set forth on Schedule A (the “Assigned Trademarks”) in accordance with the terms of this Assignment.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

1. Assignment. Upon the terms set forth in the APA, Assignor hereby irrevocably sells, assigns, transfers, conveys and delivers to Assignee, and Assignee hereby acquires and accepts, all of Assignor’s right, title and interest in and to the Assigned Trademarks, together with, (i) all rights to sue for past, present and future infringement, misappropriation, dilution or other violation of any of the Assigned Trademarks and all remedies at law or equity associated therewith, (ii) all goodwill connected with the use of, associated with, or symbolized by, the Assigned Domain Names, (iii) any and all royalties, fees, income, damages, payments, and other proceeds now or hereafter due or payable to the owner thereof with respect to any and all of the Assigned Trademarks, (iv) all rights of any kind whatsoever of Assignor accruing under any of the Assigned Trademarks provided by applicable law of any jurisdiction, by international treaties and conventions, and otherwise throughout the world, (v) the right to prosecute, register, maintain, enforce and defend the Assigned Trademarks, and (vi) all registrations and applications of the Assigned Trademarks, and all common law rights thereto.
2. Recordation. Assignor hereby authorizes and requests the Commissioner for Trademarks of the United States Patent and Trademark Office and any other applicable governmental entity in any other jurisdiction, to record and register Assignee (and its successors and assigns) as the assignee and owner of the Assigned Trademarks.
3. Governing Law. To the extent not governed by the Bankruptcy Code, this Assignment will be governed by and construed in accordance with the internal laws of the State of Delaware, without giving effect to rules governing the conflict of laws.
4. Cooperation. Assignor shall, at its expense, timely take all reasonable actions and execute and deliver all documents (including affidavits, testimonies, declarations, oaths, samples, exhibits and specimens) that Assignee may reasonably request to effect the terms of this Assignment including recordation of this Agreement and perfection of Assignee’s interest in and to the Assigned Trademarks in any jurisdiction worldwide.

5. Power of Attorney. To effectuate the terms of this Assignment, Assignor hereby names and irrevocably constitutes and appoints Assignee, with the full power of substitution therein, as Assignor's true and lawful attorney-in-fact to exercise the rights granted to Assignee in and to the Assigned Trademarks.
6. Miscellaneous. This Assignment, together with the APA, constitutes the entire agreement between Assignor and Assignee with respect to the subject matter hereof. This Assignment is entered into pursuant to the terms of the APA. In the event of any conflict between this Assignment and the APA, the APA shall control. This Assignment may be executed in one or more counterparts (including by facsimile or other electronic means such as ".pdf" files), each of which shall be deemed an original, and all of which shall constitute one and the same Assignment.

[Signature Page Follows]

IN WITNESS WHEREOF, Assignor and Assignee have caused this Assignment to be executed by their duly authorized representatives as of the Effective Date.

Royal Paper, LLC

Sofidel America Corp.

Name: _____

Name: _____

Title: _____

Title: _____

Sworn to before me this [____] day of
[____], 2025

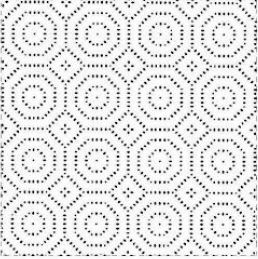
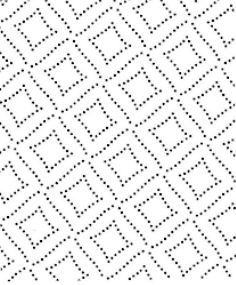
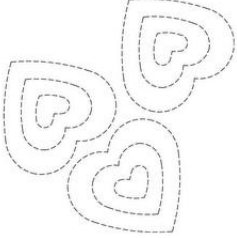
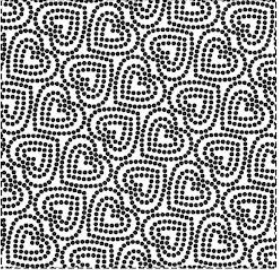
Sworn to before me this [____] day of
[____], 2025

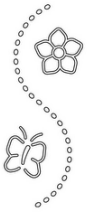
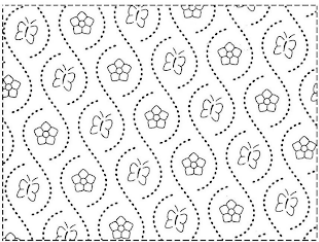
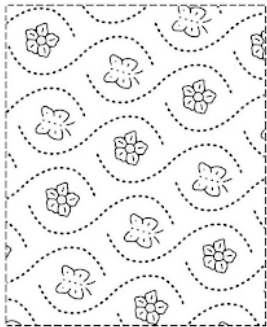
NOTARY PUBLIC

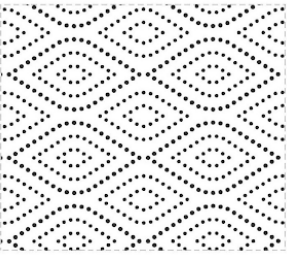
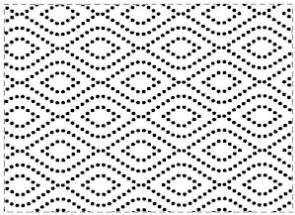
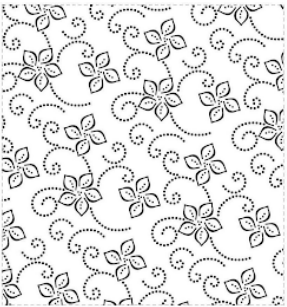
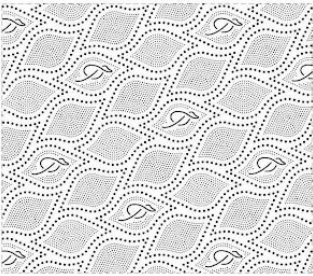
NOTARY PUBLIC

Schedule A

Assigned Trademarks

TRADEMARK	JURISDICTION	REG. NO.	REGISTRATION DATE	STATUS
	United States	7,333,584	Mar. 19, 2024	Registered - Supplemental
	United States	6,207,654	Nov. 24, 2020	Registered - Supplemental
	United States	3,979,727	Jun. 14, 2011	Registered - Supplemental
	United States	7,289,581	Jan. 23, 2024	Registered - Supplemental

TRADEMARK	JURISDICTION	REG. NO.	REGISTRATION DATE	STATUS
	United States	3,956,215	May 03, 2011	Registered - Supplemental
	United States	7,289,579	Jan. 23, 2024	Registered - Supplemental
	United States	7,289,580	Jan. 23, 2024	Registered - Supplemental
	United States	7,290,063	Jan. 23, 2024	Registered - Supplemental

TRADEMARK	JURISDICTION	REG. NO.	REGISTRATION DATE	STATUS
	United States	7,134,838	Aug. 08, 2023	Registered - Supplemental
	United States	7,134,839	Aug. 08, 2023	Registered - Supplemental
	United States	7,134,840	Aug. 08, 2023	Registered - Supplemental
	United States	7,134,841	Aug. 08, 2023	Registered - Supplemental
EARTH FIRST (words only)	United States	4,666,917	Jan. 06, 2015	Registered

TRADEMARK	JURISDICTION	REG. NO.	REGISTRATION DATE	STATUS
ECOFIRST (word only)	United States	6,296,493	Mar. 16, 2021	Registered
PLATINUM (word only)	United States	2,588,939	Jul. 02, 2002	Registered
PLATINUM (word only)	Mexico	853,500	Oct. 09, 2004	Registered
QUALITY PRODUCTS COME NATURALLY (words only)	United States	5,967,551	Jan. 21, 2020	Registered
QUALITY PRODUCTS COME NATURALLY (words only)	United States	6,404,187	Jun. 29, 2021	Registered
ROYAL PAPER (words only)	United States	2,571,415	21-May-02	Registered

TRADEMARK	JURISDICTION	REG. NO.	REGISTRATION DATE	STATUS
ROYAL PAPER & Design (Crown) 	United States	7,075,135	Jun. 06, 2023	Registered
SOFITELLE	United States	2,145,503	Mar. 17, 1998	Registered
SUPERSOFT (Stylized) 	United States	6,367,221	Jun. 01, 2021	Registered
SUPERSOFT & Design (black/white) 	United States	6,466,056	Aug. 31, 2021	Registered

TRADEMARK	JURISDICTION	REG. NO.	REGISTRATION DATE	STATUS
SUPERSOFT (Stylized) & Design (black/white) 	United States	7,117,626	Jul. 25, 2023	Registered
SUPERSOFT (word only)	United States	7,117,688	Jul. 25, 2023	Registered
AMERICANA	United States	3,030,695	Dec. 13, 2005	Registered
FORESTA	United States	6,169,687	Oct. 06, 2020	Registered

EXHIBIT E

Form of Short Form Domain Name Assignment Agreement

[See attached.]

SHORT FORM DOMAIN NAME ASSIGNMENT AGREEMENT

This Short Form Domain Name Assignment Agreement (this “Assignment”) is made and entered into as of [●], 2025 (“Effective Date”), by and between Royal Paper, LLC, an Arizona limited liability company (“Assignor”) and Sofidel America Corp., a Florida corporation (“Assignee”).

WHEREAS, RP Holdco, LLC, a Delaware corporation (“Seller”), an affiliate of Assignor, and Assignee are party to an Asset Purchase Agreement dated as of April 8, 2025 (the “APA”); and

WHEREAS, Assignor has agreed to sell, assign, transfer, convey and deliver to Assignee all of Assignor’s right, title and interest in and to the domain names set forth on Schedule A (the “Assigned Domain Names”) in accordance with the terms of this Assignment.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

1. Assignment. Upon the terms set forth in the APA, Assignor hereby irrevocably sells, assigns, transfers, conveys and delivers to Assignee, and Assignee hereby acquires and accepts, all of Assignor’s right, title and interest in and to the Assigned Domain Names, together with, (i) all rights to sue for past, present and future infringement, misappropriation, dilution or other violation of any of the Assigned Domain Names and all remedies at law or equity associated therewith, (ii) all goodwill connected with the use of, associated with, or symbolized by, the Assigned Domain Names, (iii) any and all royalties, fees, income, damages, payments, and other proceeds now or hereafter due or payable to the owner thereof with respect to any and all of the Assigned Domain Names, (iv) all rights of any kind whatsoever of Assignor accruing under any of the Assigned Domain Names provided by applicable law of any jurisdiction, by international treaties and conventions, and otherwise throughout the world, and (v) the right to prosecute, register, maintain, enforce and defend the Assigned Domain Names.
2. Governing Law. To the extent not governed by the Bankruptcy Code, this Assignment will be governed by and construed in accordance with the internal laws of the State of Delaware, without giving effect to rules governing the conflict of laws.
3. Cooperation. Assignor shall, at its expense, timely take all reasonable actions and execute and deliver all documents (including affidavits, testimonies, declarations, oaths, samples, exhibits and specimens) that Assignee may reasonably request to effect the terms of this Assignment and to assist Assignee in changing the registrant, technical and administrative contact information for the Assigned Domain Names with the applicable domain name registrar to such information of Assignee’s choice (including, without limitation, by delivering to Assignee any and all applicable user names and passwords for any accounts related to the Assigned Domain Names to enable Assignee to assume control of the Assigned Domain Names) and in obtaining, securing, maintaining and enforcing its rights in, to and under the Assigned Domain Names

worldwide. Assignor shall not enter into any agreement in conflict with this Assignment.

4. Power of Attorney. To effectuate the terms of this Assignment, Assignor hereby names and irrevocably constitutes and appoints Assignee, with the full power of substitution therein, as Assignor's true and lawful attorney-in-fact to exercise the rights granted to Assignee in and to the Assigned Domain Names.
5. Miscellaneous. This Assignment, together with the APA, constitutes the entire agreement between Assignor and Assignee with respect to the subject matter hereof. This Assignment is entered into pursuant to the terms of the APA. In the event of any conflict between this Assignment and the APA, the APA shall control. This Assignment may be executed in one or more counterparts (including by facsimile or other electronic means such as ".pdf" file), each of which shall be deemed an original, and all of which shall constitute one and the same Assignment.

[Signature Page Follows]

IN WITNESS WHEREOF, Assignor and Assignee have caused this Assignment to be executed by their duly authorized representatives as of the Effective Date.

Royal Paper, LLC

Sofidel America Corp.

Name: _____

Name: _____

Title: _____

Title: _____

Sworn to before me this [____] day of
[____], 2025

Sworn to before me this [____] day of
[____], 2025

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Schedule A

Assigned Domain Names

Domain Names
doubletreepaper.com
doubletreepaper.us
doubletreepapermills.com
doubletreepapermills.us
royalpaper.us
royalpaperconverting.com
royalpaperconverting.info
sunpapercompany.com

EXHIBIT F

Form of Deed

[See attached.]

Recorded at the Request of:
When Recorded, mail to:

Order No:

Special Warranty Deed

For the consideration of Ten and No/100 Dollars (\$10.00), and other valuable considerations, I or we,

Doubletree Paper Mills, L.L.C., an Arizona limited liability company

does hereby convey to

[]¹

the real property located in Maricopa County, AZ more particularly described as follows:

For APN/Parcel ID(s): 403-54-007

The Northeast quarter of the Northwest quarter of Section 12, Township 6 South, Range 5 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

Subject to current taxes and other assessments, reservations in patents and all easements, rights-of-way, encumbrances, liens, covenants, conditions, restrictions, obligations and liabilities as may appear of record, and the Grantor hereby binds itself and its successors to warrant and defend the title, against all acts of the Grantor herein and no other.

Dated: _____

State of _____ }ss. Date of Acknowledgement _____
County of _____

Acknowledgement of

This instrument was acknowledged before me this date by the persons above-subscribed and if subscribed in a representative capacity, then for the principal named and in the capacity indicated.

My Commission Expires: _____ Notary Public

State of _____ }ss. Date of Acknowledgement _____
County of _____

Acknowledgement of

This instrument was acknowledged before me this date by the persons above-subscribed and if subscribed in a representative capacity, then for the principal named and in the capacity indicated.

My Commission Expires: _____ Notary Public

NOTE; The parties are cautioned that by completing and executing this document, legal rights, duties and obligations are created. By signing, the parties acknowledge that they have been advised to seek and obtain independent legal counsel as to all matters contained in the within document prior to signing same and that said parties have obtained advice or choose to proceed without same.

¹ To be provided by Purchaser.

EXHIBIT G

Form of Assignment of Leases

[See attached.]

ASSIGNMENT AND ASSUMPTION OF LEASE

ASSIGNMENT OF LEASE AND ASSUMPTION AGREEMENT (this “Assignment”) is made and entered into as of this ____ day of _____, 2025 (“Closing Date”), by and between [_____] a [_____] (“Assignor”), and [_____] a [_____] (“Assignee”).

R E C I T A L S :

A. Pursuant that certain Asset Purchase Agreement, dated as of [_____] 2025 (the “Purchase Agreement”), among other things, Assignor has agreed to assign to Assignee, and Assignee has agreed to assume from Assignor, all of Assignor’s interest as tenant in and to those certain leases set forth on Exhibit A attached hereto (the “Leases”), pursuant to which Assignor leases certain premises (the “Premises”), as more particularly described in the Leases.

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

1. Assignment and Assumption. For good and valuable consideration, Assignor hereby assigns, transfers, sets over and conveys to Assignee, and Assignee hereby accepts, all of Assignor’s right, title and interest in and to the Leases, and Assignee hereby assumes and agrees to be bound by all of Assignor’s obligations and liabilities under the Leases arising from and after the Closing Date.

2. Counterparts. This Assignment may be executed in counterparts, each of which shall be deemed an original, and all of which shall taken together be deemed one document.

3. Successors. This Assignment and the provisions hereof shall inure to the benefit of and be binding upon the parties to this Assignment and their respective successors, heirs and permitted assigns.

4. Governing Law. This Assignment shall be governed by, interpreted under, and construed and enforceable in accordance with, the laws of the State of [_____] ¹².

[Signatures on following page.]

¹ Governing law should be the state where the property is located and match the law governing the Lease itself.

² To the extent that any lease being assigned requires specific language in the assignment, such language will be added herein.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment as of the Closing Date.

“ASSIGNOR”

By: _____
Name: _____
Title: _____

“ASSIGNEE”

_____, a

By: _____
Name: _____
Title: _____

Exhibit A

EXHIBIT C

Proposed Sale Order

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

In re

ROYAL INTERCO, LLC *et. al.*,

Debtors.¹

Chapter 11

Case No. 25-10674 (____)

Joint Administration Requested

**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 April [], 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 bidding procedures (the “**Bidding 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 hereto as **Exhibit A** (the “**Stalking Horse Agreement**”)² between the Debtors (the “**Sellers**”) and Sofidel America Corp. (the “**Stalking Horse Bidder**”), subject to the solicitation of the highest acceptable offer for the Debtors’ assets (the “**Acquired Assets**”); (d) approving the Bid Protections granted to the Stalking Horse Bidder; (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 the date and time of the hearing to approve the sale (the “**Sale Hearing**”) of the

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal EIN, are as follows: Royal Interco, LLC (7913); Doubletree Paper Mills, L.L.C. (1830); Royal Paper, LLC (9937); and Sun Paper Company, LLC (7899). The Debtors’ mailing address is 711 North 17th Avenue, Phoenix, AZ 85007.

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Stalking Horse Agreement.

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 Stalking Horse Bidder free and clear of all liens, claims, interest and other encumbrances; (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 Bidding 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.] (the “**Bidding Procedures Order**”) approving, among other things, the Bidding Procedures attached thereto as Exhibit 1, authorizing the Debtors to designate Sofidel America Corp. as the Stalking Horse Bidder, the Stalking Horse Agreement as the stalking horse bid for the Acquired Assets (the “**Stalking Horse Bid**”), the Bid Protections, all as more fully described in the Bidding Procedures Order; [and the Debtors having received no Qualified Bids other than the Stalking Horse Bid for the Acquired Assets; and the Debtors accordingly, pursuant to the Bidding Procedures, having canceled the Auction for the sale of the Acquired Assets]; and the Stalking Horse Bidder having been selected as the Successful Bidder for the Acquired Assets; and this Court having conducted the Sale Hearing on [May 20], 2025; and all parties in interest having been heard, or having had the opportunity to be heard, regarding the Stalking Horse 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 Bidding Procedures, held on [May 1], 2025 (the “**Bidding Procedures Hearing**”) and the Sale Hearing; and upon the entire record of the Bidding Procedures Hearing and the Sale Hearing, and after due deliberation thereon, and good cause appearing therefor:

IT IS HEREBY FOUND, CONCLUDED, AND DETERMINED THAT:³

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. 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.

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 Bankruptcy Practice and Procedure of the United State Bankruptcy Court for the District of Delaware (the “**Local Rules**”).

³ 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.

Notice of the Sale, Auction and the Cure Amounts

D. As evidenced by the *[Declaration of [•] in Support of Debtors' Motion for Entry of an Order Authorizing the Sale of Certain Assets to the Stalking Horse Bidder Free and Clear of All Liens, Claims, Interest and Other Encumbrances; (B) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; and (C) Granting Related Relief]* [D.I. [•]] (the “**Sale Declaration[s]**”) 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 Bidding Procedures Order, the Stalking Horse Agreement, the Sale Hearing, the Sale, and transactions contemplated by the Stalking Horse 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 Bidding Procedures.

E. In accordance with the provisions of the Bidding Procedures Order, the Debtors have served the *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 Stalking Horse 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 Stalking Horse Bidder; (ii) the name of the counterparty thereto; (iii) notice of the right of the Sellers and/or the Stalking Horse Bidder 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* Certificate of Service [D.I. [•]]. The deadline for a non-Debtor counterparty to file an objection regarding the ability of the Stalking Horse Bidder 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 Notice, and (iii) adequate assurance of the Stalking Horse Bidder’s future performance previously provided.

F. The service of such Cure Notices (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 Notices; and (iii) was in compliance with the Bidding 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 Bidding Procedures Order: (i) due, proper, timely, adequate and sufficient notice of the 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 Bidding 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 Stalking Horse 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 Stalking Horse Bidder, 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 Stalking Horse 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 Stalking Horse Agreement constitutes the highest and otherwise best offer for the Acquired Assets; (iii) the Stalking Horse 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 Stalking Horse Agreement, potential creditor recoveries may be substantially diminished.

Compliance with Bidding Procedures.

J. The Bidding Procedures were substantively and procedurally fair to all parties, including all potential bidders, and were the result of arms'-length negotiations. Further, the Bidding 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 Stalking Horse Bidder, and their respective counsel and other advisors have complied with the Bidding Procedures and Bidding Procedures Order in all respects except as properly waived in the exercise of their fiduciary duties in accordance with such Bidding Procedures. The Stalking Horse Bidder subjected its bid to the competitive Bidding Procedures approved by this Court and the Stalking Horse Bidder was found eligible to participate in the Auction and was the Successful Bidder for the Acquired Assets in accordance with the Bidding Procedures Order and Bidding Procedures.

Good Faith of the Stalking Horse Bidder; No Collusion

K. The Stalking Horse Bidder 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.

L. The Stalking Horse Bidder is purchasing the Acquired Assets in good faith, and is a good faith Stalking Horse Bidder, within the meaning of Section 363(m) of the Bankruptcy Code, and is therefore entitled to, and granted pursuant to paragraph 33 below, the full rights, benefits,

privileges, and protections of that provision, and the Stalking Horse Bidder and the Sellers have each proceeded in good faith in all respects in connection with the Transaction in that, *inter alia*: (i) the Stalking Horse Bidder recognized that the Debtors were free to deal with any other party interested in acquiring the Acquired Assets; (ii) the Stalking Horse Bidder complied with the provisions in the Bidding Procedures Order; (iii) the Stalking Horse Bidder's bid was subject to the competitive bidding procedures set forth in the Bidding Procedures Order; (iv) the Stalking Horse Bidder has acted in good faith in pursuing the transactions contemplated by the Stalking Horse Bid; (v) the Stalking Horse Bidder is not an insider or affiliate of the Debtors; and (vi) the negotiation and execution of the Stalking Horse 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 Stalking Horse Bidder has engaged in any collusion, fraud, or any conduct that would cause or permit the Stalking Horse 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.

M. None of the Debtors, the Stalking Horse Bidder, 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 Stalking Horse 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

N. 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 Bidding Procedures Order and the sound exercise of the Debtors' business judgment. The sale process set forth in the Bidding 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.

O. In accordance with the Bidding Procedures Order, the Stalking Horse Agreement was deemed a Qualified Bid (as defined in the Bidding Procedures Order) and was eligible to participate at the Auction. [Because the Stalking Horse Agreement was the only Qualified Bid for the Acquired Assets covered thereby, the Debtors, in accordance with the Bidding Procedures Order did not conduct an Auction for such Acquired Assets.]

P. The Stalking Horse 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 Stalking Horse 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.

Q. The Stalking Horse 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 Stalking Horse Bidder.

R. Approval of the Stalking Horse 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

S. The Stalking Horse 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 Stalking Horse 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.

T. Except as expressly set forth in the Stalking Horse Agreement with respect to the Assumed Liabilities, to the greatest extent permitted by applicable Law after the Closing, the Stalking Horse Bidder shall not have any liability, responsibility, or obligations of any kind or nature whatsoever for any Encumbrance (as defined below) of or against the Debtors, or otherwise related to the Acquired Assets (except as expressly set forth in the Stalking Horse Agreement with respect to the Assumed Liabilities), and arising prior to the Closing, by reason of the transfer of the Acquired Assets to the Stalking Horse Bidder. Additionally, the Stalking Horse Bidder 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 Stalking Horse Agreement. The sale and transfer of the Acquired Assets of the Debtors to the Stalking Horse Bidder, including the assumption by the Debtors and assignment, transfer and/or sale to the Stalking Horse Bidder of the Assigned Contracts, will not

subject the Stalking Horse Bidder 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 Stalking Horse Agreement, the Stalking Horse Bidder shall become liable for the applicable Assumed Liabilities. The Stalking Horse Bidder 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 Stalking Horse Bidder is not acquiring or assuming any Encumbrance arising prior to the Closing, except as expressly set forth in the Stalking Horse Agreement with respect to the Assumed Liabilities.

Validity of Transfer

U. 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 Stalking Horse 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 Stalking Horse 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 Stalking Horse Agreement or the Transaction Documents, except in each

case as otherwise expressly set forth in the Stalking Horse Agreement or applicable Transaction Documents.

V. Effective upon the consummation of the Sale at Closing in accordance with the Stalking Horse Agreement, the transfer of the Acquired Assets to the Stalking Horse Bidder including, without limitation, the assumption, assignment and transfer of the Assigned Contracts, will be a legal, valid, and effective transfer thereof, and vest the Stalking Horse Bidder 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 Encumbrances (as defined in paragraph Y of this Sale Order) accruing or arising any time prior to the Closing Date (with such Encumbrances to attach to the proceeds of the Sale with the same priority, validity, force and effect as such Encumbrances had immediately prior to the consummation of such Sale), and except as expressly set forth in the Stalking Horse Agreement with respect to the Assumed Liabilities.

Section 363(f) Is Satisfied

W. The Stalking Horse Bidder would not have entered into the Stalking Horse 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 Stalking Horse Bidder were not free and clear of all Encumbrances of any kind or nature whatsoever (except as expressly set forth in the Stalking Horse Agreement with respect to the Assumed Liabilities), or if the Stalking Horse Bidder, any of its Affiliates or subsidiaries, or any of their respective Representatives, would, or in the future could, be liable for any of such Encumbrances of any kind or nature whatsoever (except as expressly set forth in the Stalking Horse Agreement with respect to the Assumed Liabilities). The total consideration to be provided under the Stalking Horse Agreement reflects the Stalking Horse Bidder'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).

X. The Sellers may sell or otherwise transfer the Acquired Assets free and clear of all Encumbrances (except as expressly set forth in the Stalking Horse 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 Encumbrances 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 Encumbrance 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 Encumbrances, 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 Encumbrances, in the same order of priority, with the same validity, force and effect, that such Encumbrances 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.

Y. As used in this Sale Order, the term “**Encumbrances**” includes, in addition to the types of claims described in paragraph Z 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 Stalking Horse Agreement) based on successor liability theories or otherwise under any theory of Law (as defined in the Stalking Horse 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 or recoupment, 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 Stalking Horse Bidder'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 Stalking Horse Agreement; and (l) Encumbrances 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, Encumbrances 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.

Z. Except as expressly set forth in the Stalking Horse Agreement with respect to the Assumed Liabilities, and without limiting the nature or scope of paragraph Y above, the transfer of the Acquired Assets, including the assumption, assignment and/or transfer of the Assigned Contracts, to the Stalking Horse Bidder, will not subject the Stalking Horse Bidder, 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) environment 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 "Encumbrances" for all purposes of this Sale Order.

Assumption, Assignment and/or Transfer of the Assigned Contracts

AA. The assumption, assignment and/or transfer of the Assigned Contracts to the Stalking Horse Bidder pursuant to the terms of this Sale Order is integral to the Stalking Horse

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.

BB. 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.

CC. The promise of the Stalking Horse Bidder to perform the obligations first arising under the Assigned Contracts after their assumption and assignment to the Stalking Horse Bidder, the Stalking Horse Bidder's financial wherewithal to consummate the transactions contemplated by the Stalking Horse Agreement and the evidence presented at the Sale Hearing demonstrating the Stalking Horse Bidder'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 Stalking Horse Bidder 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.

DD. Pursuant to Section 6.8 of the Stalking Horse Agreement, the Stalking Horse Bidder shall maintain certain rights to modify the list of the Assigned Contracts, after the date of this Sale Order and three (3) Business Days prior to the Closing Date as set forth in such Section. Such modification rights include, but are not limited to, the right of the Stalking Horse Bidder, three (3) Business Days prior to the Closing Date, to designate a Contract for assumption by the Sellers and assignment to the Stalking Horse Bidder as well as the right of the Stalking Horse Bidder to re-designate any Assigned Contract as an Excluded Contract *provided, however*, that the Stalking Horse Bidder shall not have the right to, eliminate the Sale Leaseback Agreement as an Assigned Contract. The Stalking Horse Bidder would not have agreed to the Transactions without such rights.

EE. 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 Bidding 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

FF. 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 Stalking Horse 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).

GG. Given all of the circumstances of these Chapter 11 Cases and the adequacy and fair value of the Purchase Price under the Stalking Horse Agreement, the proposed transfer of the Acquired Assets to the Stalking Horse Bidder 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.

HH. 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.

II. The Stalking Horse Agreement is a valid and binding contract between the Debtors and the Stalking Horse Bidder and shall be enforceable pursuant to its terms. The Stalking Horse 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.

JJ. 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 Stalking Horse 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 Stalking Horse Agreement does not constitute a sub rosa chapter 11 plan.

KK. The legal and factual bases set forth in the Motion and at the Sale Hearing establish just cause for the relief granted herein.

LL. The Stalking Horse Bidder 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 Bidding Procedures Order is granted and approved, as set forth in this Sale Order.

2. The Transactions contemplated by the Stalking Horse 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 Bidding 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 Bidding Procedures Order.

Approval of Stalking Horse Agreement; Binding Nature

6. The Stalking Horse 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 Stalking Horse Agreement in this Sale Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the Stalking Horse 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 Stalking Horse Agreement is approved pursuant to sections 105, 363, and 365 of the Bankruptcy Code.

8. The consideration provided by the Stalking Horse Bidder for the Acquired Assets under the Stalking Horse 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 Stalking Horse 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 Stalking Horse Agreement and the Transaction Documents or as may be reasonably requested by the Stalking Horse Bidder for the purpose of assigning, transferring, granting, conveying and conferring to the Stalking Horse Bidder, or reducing to the Stalking Horse Bidder'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 Encumbrances 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 Stalking Horse Bidder and all successors and assigns of the Stalking Horse Bidder, 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 Encumbrances; 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 Stalking Horse Bidder on the Closing Date in accordance with the Stalking Horse Agreement and Transaction Documents. Effective upon the consummation

of the sale at Closing as of the Closing Date pursuant to the terms of the Stalking Horse 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 Stalking Horse Bidder, and the Stalking Horse Bidder shall take title to and possession of such Acquired Assets free and clear of all Encumbrances of any kind or nature whatsoever to the greatest extent permitted by applicable Law (and all such Encumbrances shall attach to the proceeds of the Sale as set forth in paragraph 13), except as expressly set forth in the Stalking Horse Agreement with respect to the Assumed Liabilities. To the extent required by the Stalking Horse Agreement, the Debtors agree to exercise commercially reasonable efforts to assist the Stalking Horse Bidder 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 Stalking Horse Bidder on or after the Closing Date.

12. [Reserved].

13. Effective upon consummation of the Sale at Closing in accordance with the terms of the Stalking Horse Agreement, all Encumbrances on the Acquired 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 Stalking Horse Agreement, all Encumbrances of any kind or nature whatsoever (except as expressly set forth in the Stalking Horse 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 Encumbrances 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 Encumbrances shall be self-executing, and neither the Debtors nor the Stalking Horse Bidder 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 proceeds of the Sale shall be subject to the terms of the interim and final orders authorizing the Debtors to obtain postpetition financing and use of cash collateral (the “DIP Orders”) for application to the Aggregate Debt (as defined in the DIP Orders) by Agents (as defined in the DIP Orders in accordance with the terms thereof. All Encumbrances 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 Encumbrances now have.

14. Except as expressly permitted by the Stalking Horse Agreement or this Sale Order, upon consummation of the Sale at Closing in accordance with the terms of the Stalking Horse Agreement, all persons and entities holding Encumbrances 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 Encumbrances against the Stalking Horse Bidder, 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 Stalking Horse Agreement, to the extent the holder of an Encumbrance 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 Stalking Horse Bidder 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 Encumbrance to release, discharge and terminate such Encumbrances in, on and against the Acquired Assets as provided for herein, as such Encumbrances may have been recorded or may otherwise exist. On and after the Closing Date, upon consummation of the Sale in accordance with the Stalking Horse Agreement, and without limiting the foregoing, to the extent the holder of an Encumbrance (as to which the Acquired Assets are being sold free and clear of pursuant to the terms hereof) does not comply with paragraph 16 of this Sale Order, the Stalking Horse Bidder 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 Encumbrance 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 Stalking Horse Bidder 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.

15. Other than as specifically provided for in the Stalking Horse Agreement or in this Sale Order, the transfer of the Acquired Assets to the Stalking Horse Bidder pursuant to the Stalking Horse Agreement and Transaction Documents does not require any consents.

16. On and after the consummation of the Sale at Closing in accordance with the Stalking Horse Agreement, the persons holding an Encumbrance (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 Encumbrances in the Acquired Assets, as such Encumbrances may have been recorded or otherwise filed. The Stalking Horse Bidder 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 Encumbrances 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 Stalking Horse Bidder at the Closing upon consummation of the Sale in accordance with the Stalking Horse Agreement.

17. 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 Encumbrances 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 Stalking Horse Agreement or any Transaction Document.

Accounts Receivable

18. In connection with the post-closing collection by Sellers and the Stalking Horse Bidder of accounts receivable that are Excluded Assets and accounts receivable that are Purchased 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

19. 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 Stalking Horse Bidder of the Assigned Contracts are hereby authorized and approved in full subject to the terms set forth below. The Stalking Horse Bidder shall, and are 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 Stalking Horse Agreement so that such Contracts may be assumed by the Sellers and assigned to the Stalking Horse Bidder as applicable, on the Closing Date in accordance with this Sale Order, the Stalking Horse Agreement, and the Transaction Documents.

20. 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 Stalking Horse Bidder free

and clear of all Encumbrances, except as expressly set forth in the Stalking Horse 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 Stalking Horse Bidder, 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 Stalking Horse Bidder 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 Bidding 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.

21. The Stalking Horse Bidder 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.

22. 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.

23. All requirements and conditions under Sections 363 and 365 of the Bankruptcy Code for the assumption by the Sellers and assignment to the Stalking Horse Bidder of the

Assigned Contracts have been satisfied. Upon the Closing, in accordance with Sections 363 and 365 of the Bankruptcy Code, the Stalking Horse Bidder 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 Stalking Horse Bidder 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 Stalking Horse Bidder 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.

24. Except as provided in the Stalking Horse 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.

25. The rights of the Stalking Horse Bidder to modify the list of the Assigned Contracts after the date of this Sale Order and three (3) Business Days prior to the Closing Date as set forth in Section 6.8 of the Stalking Horse Agreement, are hereby approved; *provided, however*, that the Stalking Horse Bidder shall not have the right to, eliminate the Sale Leaseback Agreement as an Assigned Contract. Notwithstanding anything herein to the contrary and subject to the Stalking Horse Agreement, prior to Closing, the Stalking Horse Bidder may, pursuant to the procedures set forth in the Stalking Horse Agreement notify Sellers in writing of (x) any Assigned Contract that it does not wish to assume or (y) a Contract to which Sellers are a party that the Stalking Horse Bidder wishes to add as an Assigned Contract up to three (3) prior to the Closing Date, and (i) any such previously considered Assigned Contract that the Stalking Horse Bidder no longer wishes to

assume shall be automatically deemed removed from the Schedules related to Assigned Contracts and automatically deemed added to the Schedules related to Excluded Contracts, in each case, without any adjustment to the Purchase Price, and (ii) any such previously considered Excluded Contract that has not been rejected by Sellers that the Stalking Horse Bidder wishes to assume as an Assigned Contract shall be automatically deemed added to the Schedules related to Assigned Contracts, automatically deemed removed from the Schedules related to Excluded Contracts, and assumed by Sellers to sell and assign to the Stalking Horse Bidder, in each case, without any adjustment to the Purchase Price and with any Cure Costs associated therewith paid by the Stalking Horse Bidder.

26. 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 Stalking Horse Bidder 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.

27. Nothing in this Sale Order, the Motion, or in any notice or any other document is or shall be deemed an admission by the Debtors or the Stalking Horse Bidder that any Assigned Contract is an executory contract or unexpired lease under Section 365 of the Bankruptcy Code.

28. The failure of the Debtors or the Stalking Horse Bidder, 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

29. Effective upon the consummation of the Sale on the Closing Date in accordance with the Stalking Horse Agreement and except as expressly set forth in the Stalking Horse 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 Encumbrance 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 Encumbrance in respect of the Acquired Assets, (c) creating, perfecting or enforcing any Encumbrance 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 an Encumbrance in respect of the Acquired Assets, in each case as against the Stalking Horse Bidder, 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.

30. The Transactions contemplated by the Stalking Horse 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 Stalking Horse Bidder, 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 Stalking Horse Bidder, on the one hand, and the Debtors or the Debtors' estates, on the other hand, (c) a common identity between the Stalking Horse Bidder, 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 Stalking Horse Bidder, on the other hand.

31. Except to the extent expressly set forth in the Stalking Horse 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 Stalking Horse Bidder shall not cause or result in, or be deemed to cause or result in, the Stalking Horse Bidder, 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 Encumbrance 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.

32. For the avoidance of doubt, notwithstanding the consummation of the Transactions and the employment by the Stalking Horse Bidder of certain persons previously employed by the Debtors, (a) except as expressly set forth in the Stalking Horse Agreement, the Stalking Horse Bidder 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 Stalking Horse Bidder to any such Person shall be expressly limited to (i) those obligations owing to any employee solely as a result of the Stalking Horse Bidder's employment of such employee following the Closing Date; (ii) those obligations expressly agreed upon by the Stalking Horse Bidder with such Person; and (iii) those obligations explicitly assumed by the Stalking Horse Bidder under the Stalking Horse Agreement.

Good Faith

33. The Transactions contemplated by this Sale Order, the Stalking Horse Agreement and Transaction Documents are undertaken by the Stalking Horse Bidder 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 Stalking Horse Bidder 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.

34. Neither the Debtors nor the Stalking Horse Bidder 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 Stalking Horse Bidder for the Acquired Assets under the Stalking Horse 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

35. Pursuant to Section 363(b)(2) of the Bankruptcy Code, the waiting period required under Section 7A of the Clayton Act is reduced from 30 days to 15 days after the required notices are delivered to the Federal Trade Commission and the Assistant Attorney General in charge of the Anti-Trust Division of the Department of Justice.

36. Nothing in this Order or the Stalking Horse 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 Order. Nothing in this Order or the Stalking Horse 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 Order divests any tribunal of any jurisdiction it may have under police or regulatory law to interpret this Order or to adjudicate any defense asserted under this Order.

37. Notwithstanding anything to the contrary in the Stalking Horse Agreement or in this Sale Order, until the earlier of the closure of these cases and three (3) years after the Closing Date, Stalking Horse Bidder will use 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. The three-year (3) period referenced in this Paragraph 37 may be extended for an additional one-year (1) period upon reasonable request made to the Stalking Horse Bidder in writing and sent in accordance with section 8.7 of the Stalking Horse Agreement by the Debtors or any successor thereto or any of their respective officers, directors, counsel, advisors or Representatives.

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 Stalking Horse 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. 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.

40. Nothing in this Sale Order shall modify or waive any closing conditions, post-closing covenants or termination rights in Articles VI and VII of the Stalking Horse Agreement, and all such conditions and rights shall remain in full force and effect in accordance with their terms.

41. 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 Stalking Horse Agreement, all obligations of the Debtors relating to taxes, whether arising under any law, by the Stalking Horse Agreement, or otherwise, shall be the obligation of and fulfilled and paid by the Debtors.

42. All payment or reimbursement obligations of the Sellers owed to the Stalking Horse Bidder pursuant to the Stalking Horse Agreement, including, without limitation, Section 7.2, 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 Stalking Horse Agreement and Section 507(b) 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.

43. 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 Stalking Horse Bidder. 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 Stalking Horse Bidder, subject to approval by such authorities, as applicable. The Stalking Horse Bidder 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 Stalking Horse Bidder. All existing Permits applicable to the business shall remain in place for Stalking Horse Bidder'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 Stalking Horse Bidder prior to Closing in connection with Stalking Horse Bidder's efforts to transfer or obtain new Permits.

44. To the 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 Stalking Horse Bidder on account of the filing or pendency of the Chapter 11 Cases or the consummation of the Transactions contemplated by the Stalking Horse Agreement and the Transaction Documents. The Stalking Horse Bidder shall be authorized, as of the Closing to operate under the Permits listed on Schedule 2.1(f) of the Stalking Horse Agreement and, to the extent provided for in the Stalking Horse Agreement and the Transaction Documents, such Permits are deemed to have been, and are hereby directed to be, transferred to the Stalking Horse Bidder as of the Closing.

45. The failure specifically to include any particular provision of the Stalking Horse Agreement in this Sale Order shall not diminish or impair the effectiveness of such provision, it being the intent of this Court that the Stalking Horse Agreement be authorized and approved in their entirety.

46. The Stalking Horse 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.

47. 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.

48. 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 Stalking Horse 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 Stalking Horse Bidder; (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.

49. All time periods set forth in this Sale Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

50. 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 Stalking Horse Bidder to give the Debtors any notice provided for in the Stalking Horse Agreement, (ii) to allow the Stalking Horse Bidder to take any and all actions permitted by the Stalking Horse Agreement in accordance with the terms and conditions thereof, including, without limitation, (a) complying with the requirements of the HSR Act and (b) effectuating the Sale and the other transactions contemplated by the Stalking Horse Agreement and (iii) to otherwise implement the terms and provisions of the Stalking Horse 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 Stalking Horse Agreement and this Sale Order, and this Court shall retain exclusive jurisdiction over any and all disputes with respect thereto.

51. 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 Bidding Procedures Order, on the one hand, and the Stalking Horse Agreement or any Transaction Document, on the other hand, the terms of this Sale Order and the Bidding Procedures Order shall govern, as applicable.

IT IS SO ORDERED