

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

In re:

SALT LIFE BEVERAGE, LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 24-11468 (LSS)

Jointly Administered

Re: Docket Nos. 67 & 145

ORDER (I) APPROVING THE SALE OF THE DEBTORS' SALT LIFE ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS, (II) AUTHORIZING THE ASSUMPTION AND ASSIGNMENT OF CONTRACTS AND LEASES, (III) APPROVING THE AGENCY AGREEMENT, AND (IV) GRANTING RELATED RELIEF

Upon consideration of the *Amended Motion of Debtors for Entry of (I) an Order (A) Approving Bid Procedures in Connection with the Potential Sale of the Debtors' Assets, (B) Scheduling an Auction and Sale Hearing, (C) Approving the Form and Manner of Notice Thereof, (D) Authorizing the Debtors to Enter Into One or More Stalking Horse Agreements, (E) Approving Bid Protections, (F) Approving Procedures for the Assumption and Assignment of Contracts and Leases, and (G) Granting Related Relief; and (II) an Order (A) Approving the Sale of the Debtors' Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests, (B) Authorizing the Assumption and Assignment of Contracts and Leases, and (C) Granting Related Relief* (the "**Sale Motion**") [Docket Entry No. 67] of the above-captioned debtors and debtors in possession (the "**Debtors**"), which requests an order (this "**Sale Order**") that, among other things, authorizes (a) the Debtors' entry into the Asset Purchase Agreement (including, without limitation, all related

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are Salt Life Beverage, LLC, a Delaware limited liability company (8436), Delta Apparel, Inc., a Georgia corporation (8794), Salt Life, LLC, a Georgia limited liability company (6136), M. J. Soffe, LLC, a North Carolina limited liability company (2056), Culver City Clothing Company, a Georgia corporation (4619), DTG2Go, LLC, a Georgia limited liability company (6498), and Salt Life Beverage Management, LLC, a Delaware limited liability company (7886). The location of the Debtors' headquarters and mailing address is 2750 Premiere Parkway, Suite 100, Duluth, Georgia 30097.

exhibits and schedules, including, without limitation, the Agency Agreement between the Debtors and Hilco, a complete copy of which is attached thereto as Exhibit D (together with the exhibits referenced therein, the “**Agency Agreement**”), and as may be amended, modified or supplemented in accordance with its terms, collectively, the “**Agreement**”² a complete copy of which is attached hereto as **Exhibit A**, among the Debtors, Iconix International, Inc. (“**Iconix**”), and Hilco Merchant Resources, LLC (“**Hilco**” and with Iconix, collectively, the “**Purchaser**”),³ which provides for the sale, assignment, transfer, conveyance, and delivery of the Purchased Assets and the Designated Assets (collectively, the “**Salt Life Assets**”), (b) the assumption and assignment of the Assigned Contracts effective as of the Closing on the Closing Date, and (c) the Debtors’ entry into the Agency Agreement, which sets forth the terms and conditions for Hilco to act as the Debtors’ exclusive agent to conduct sales of the Designated Assets that are subject to the Agency Agreement (the “**Agency Sale Transaction**”) (the transactions set forth in (a)-(c) are collectively referred to herein as the “**Sale**”); and this Court having entered the *Order (I) Approving Bid Procedures in Connection with the Potential Sale of the Debtors’ Assets, (II) Scheduling an Auction and a Sale Hearing, (III) Approving the Form and Manner of Notice Thereof, (IV) Authorizing the Debtors to Enter One or More Stalking Horse Agreements, (V) Approving Bid Protections, (VI) Approving Procedures for the Assumption and Assignment of Contracts and Leases, and (VII) Granting Related Relief* [Docket No. 145] on July 26, 2024 (the “**Bid Procedures Order**”); and the Purchaser having submitted a bid, which bid was the successful bid for the Salt Life Assets at an auction (the “**Auction**”); and this Court having reviewed and

² Except as otherwise defined herein, or where reference is made to a definition in the Sale Motion, all capitalized terms shall have the meanings ascribed to them in the Agreement or the Agency Agreement.

³ References to Purchaser in this Sale Order shall apply to Iconix, Hilco, or both Iconix and Hilco as contemplated or provided in the Agreement.

considered the Sale Motion and any objections thereto; and this Court having conducted a hearing to consider the approval of the Agreement and the transactions contemplated thereby, including the Agency Sale Transaction (the “**Sale Hearing**”), at which time all interested parties were offered an opportunity to be heard with respect to the approval of the Agreement and the transactions contemplated thereby, including the Agency Sale Transaction; and the Court having reviewed and considered, among other things, (i) the Motion and the exhibits thereto, (ii) the Agreement, and (iii) the Agency Agreement; and upon the full record of these Chapter 11 Cases; and it appearing that notice of the Motion and the transactions approved by this Sale Order was sufficient under the circumstances; and it appearing no other notice need be given; it further appearing the legal and factual bases set forth in the Sale Motion and the record made at the Sale Hearing establish just cause for the relief granted herein; and after due deliberation thereon, and sufficient cause appearing therefor:

THE COURT FINDS AND DETERMINES THAT:

Jurisdiction, Final Order, and Statutory Predicates

A. The findings and conclusions set forth herein constitute the Court’s findings of fact and conclusions of law pursuant to Rule 7052 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. This Court has jurisdiction over this matter 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.

C. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). The Debtors have confirmed their consent, 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**”), to the entry of a final order by this Court in connection with the Sale Motion, to the extent it is later determined the Court, absent the consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

D. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

E. The bases for the relief requested in this Motion are sections 105(a), 363, 364, 365, 503, 507, and 554 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “**Bankruptcy Code**”), Bankruptcy Rules 2002, 4001, 6004, 6006, 9007, and 9014, and Local Rules 2002-1, 6004-1, and 9013-1(m).

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

Retention of Jurisdiction

G. It is necessary and appropriate for the Court to retain jurisdiction to, among other things, interpret, implement, and enforce the terms and provisions of this Sale Order and the Agreement, including its related documents, all amendments thereto, and any waivers and consents thereunder and each of the agreements executed in connection therewith to which the Debtors are a party or which has been assigned by the Debtors to the Purchaser, and to adjudicate, if necessary, any and all disputes involving the Debtors or the Purchaser concerning or relating in any way to,

or affecting, the Sale or the other transactions contemplated in the Agreement, the Agency Agreement, and related documents.

Corporate Authority; Consents and Approvals

H. Each of the Debtors has, to the extent necessary or applicable, (a) the full corporate power and authority to execute and deliver the Agreement and all other documents contemplated thereby, including but not limited to the Agency Agreement, (b) all corporate authority necessary to consummate the transaction contemplated by the Agreement and the Agency Agreement, and (c) taken all corporate action necessary to authorize and approve the Agreement, the Agency Agreement, and the consummation of the transactions contemplated thereby. The Sale has been duly and validly authorized by all necessary corporate action. No consents or approvals, other than those expressly provided for in the Agreement, are required for the Debtors to consummate the Sale, the Agreement, the Agency Agreement, or the transactions contemplated thereby.

I. The Agreement and the Agency Agreement are valid and binding contracts among the Debtors, the Purchaser, and Hilco, as the case may be, and shall be enforceable pursuant to their respective terms. From and after the Closing Date, the Agreement, the Agency Agreement, the Sale, and the Agency Sale Transaction 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 entity.

**Notice of Sale, Auction, Sale Hearing,
Agreement, and Assumption and Assignment**

J. Actual written notice of the Sale Motion, the Sale, the Auction, the Sale Hearing, and the transactions contemplated thereby, and a reasonable opportunity to object or be heard with respect to the Sale Motion and the relief requested therein, has been afforded to all known

interested entities and parties, including, without limitation, the following entities and parties: (a) the Office of the United States Trustee for the District of Delaware (the “**U.S. Trustee**”); (b) the holders of the thirty (30) largest unsecured claims against the Debtors; (c) all of the Debtors’ other creditors; (d) counsel to the DIP Agent; (e) counsel to the Salt Life Stalking Horse Bidder; (f) all other parties who have expressed a written interest in the Salt Life Assets; (g) the United States Attorney’s Office for the District of Delaware; (h) the Internal Revenue Service; (i) all state and local taxing authorities with an interest in the Salt Life Assets; (j) the Attorney General for the State of Delaware; (k) the Securities and Exchange Commission; (l) all other governmental agencies with an interest in the Sale and transactions proposed thereunder; (m) all parties known or reasonably believed to have asserted an Interest in the Salt Life Assets; (n) the counterparties to the Contracts (the “**Contract Counterparties**”); (o) the Debtors’ insurance carriers; (p) all parties entitled to notice pursuant to Local Rule 9013-1(m); and (q) any party that has requested notice pursuant to Bankruptcy Rule 2002.

K. In addition, the Debtors have caused notice of the Sale Motion, the Sale, the Auction, and the Sale Hearing to be (i) published in *The New York Times (National Edition)* on July 31, 2024 and in *Women’s Wear Daily* on August 5, 2024, and (ii) posted on the website maintained by the Debtors’ claims and noticing agent, Epiq, available at <https://dm.epiq11.com/Delta-SaltLife>, as required by the Bid Procedures Order. The foregoing notice was sufficient and reasonably calculated under the circumstances to reach entities whose identities are not reasonably ascertainable by the Debtors.

L. In accordance with the provisions of the Bid Procedures Order, the Debtors have served notice upon the Contract Counterparties: (a) that the Debtors seek to assume and assign to the Purchaser the Assigned Contracts on the Closing Date (as defined in the Agreement); and (b)

of the relevant Cure Amounts (as defined below). Service of such notice was good, sufficient, and appropriate under the circumstances, and no further notice need be given in respect of establishing a Cure Amount for the Contracts. Each of the Contract Counterparties has had an adequate opportunity to object to the Cure Amounts set forth in the notice and to the assumption and assignment to the Purchaser of the applicable Assigned Contracts (including objections related to the adequate assurance of future performance and objections based on whether applicable law excuses the counterparty from accepting performance by, or rendering performance to, the Purchaser for purposes of section 365(c)(1) of the Bankruptcy Code). All objections, responses, or requests for adequate assurance, if any, have been resolved, overruled, or denied, as applicable.

M. The notice of the Auction and the Sale Hearing provided all interested parties with timely and proper notice of the Sale, the Auction, and the Sale Hearing.

N. The Debtors have articulated good and sufficient reasons for this Court to grant the relief requested in the Sale Motion regarding the sales process, including, without limitation: (i) determination of final Cure Amounts; and (ii) approval and authorization to serve notice of the Auction and Sale Hearing.

O. As evidenced by the affidavits of service and affidavits of publication previously filed with the Court, proper, timely, adequate, and sufficient notice of the Sale Motion, the Sale, the Auction, the Sale Hearing, and the transactions contemplated thereby, including, without limitation, the assumption and assignment of the Assigned Contracts to the Purchaser, and the entry into the Agreement and the Agency Agreement has been provided in accordance with the Bid Procedures Order and Bankruptcy Code sections 105(a), 363, and 365 and Bankruptcy Rules 2002, 6004, 6006, 9007, 9008, and 9014. The notices described herein were good, sufficient, and appropriate under the circumstances, and no other or further notice of the Sale Motion, the Sale,

the Auction, the Sale Hearing, the entry into the Agreement and the Agency Agreement, or the assumption and assignment of the Assigned Contracts to the Purchaser is or shall be required.

P. The disclosures made by the Debtors concerning the Sale Motion, the Agreement, the Agency Agreement, the Auction, the Sale Hearing, the Sale, and the assumption and assignment of the Assigned Contracts to the Purchaser were good, complete, and adequate.

Q. A reasonable opportunity to object and be heard with respect to the Sale and the Sale Motion, and the relief requested therein (including, without limitation, the assumption and assignment of the Assigned Contracts to the Purchaser and any Cure Amounts relating thereto), has been afforded to all interested persons and entities, including the applicable notice parties.

Auction

R. The Debtors conducted the Auction on **August 27, 2024**, in connection with, and has otherwise complied in all respects with, the Bid Procedures Order. The Auction process set forth in the Bid Procedures Order afforded a full, fair, and reasonable opportunity for any entity to make a higher or otherwise better offer to purchase the Salt Life Assets. The Auction was duly noticed and conducted in a non-collusive, fair, and good faith manner, and a reasonable opportunity has been given to any interested party to make a higher and better offer for the Salt Life Assets. The Auction was transcribed and the transcript of the Auction was introduced into evidence at the Sale Hearing. At the conclusion of the Auction, the Debtors determined in the exercise of their good faith business judgment that the Purchaser submitted the highest and best bid for the Salt Life Assets and, accordingly, the Purchaser was determined to be the Successful Bidder for the Salt Life Assets.

Good Faith of the Purchaser

S. As demonstrated by the representations of counsel and other evidence proffered or adduced at the Sale Hearing, the Debtors and their advisors marketed the Salt Life Assets to secure

the highest and best offer. The terms and conditions set forth in the Agreement are fair, adequate, and reasonable, including the amount of the Purchase Price, which is found to constitute reasonably equivalent and fair value.

T. No entity comprising Purchaser is an “insider” or “affiliate” of any of the Debtors, as those terms are defined in section 101 of the Bankruptcy Code, and no common identity of incorporators, directors, managers, controlling shareholders, or other insider of the Debtors exist among the Purchaser and the Debtors.

U. The Debtors and the Purchaser extensively negotiated the terms and conditions of the Agreement in good faith and at arm’s length. The Purchaser is purchasing the Salt Life Assets (or in the case of the Designated Assets, selling the Designated Assets pursuant to the Agency Agreement) and has entered into the Agreement and the Agency Agreement in good faith and is a good faith buyer within the meaning of Bankruptcy Code section 363(m), and is therefore entitled to the full protection of that provision, and otherwise has proceeded in good faith in all respects in connection with this proceeding in that, *inter alia*: (i) the Purchaser recognized the Debtors were free to deal with any other party interested in purchasing the Salt Life Assets (and in the case of the Designated Assets, selling the Designated Assets pursuant to the Agency Agreement); (ii) the Purchaser agreed to subject its bid to competitive bidding at the Auction; (iii) all payments to be made by the Purchaser and other agreements or arrangements entered into by the Purchaser in connection with the Sale have been disclosed; (iv) the Purchaser has not violated Bankruptcy Code section 363(n) by any action or inaction; (v) no common identity of directors or controlling stockholders exists between the Purchaser and the Debtors; and (vi) the negotiation and execution of the Agreement and Agency Agreement was at arm’s length and in good faith.

V. None of the Debtors nor the entities comprising the Purchaser have engaged in any conduct that would cause or permit the Agreement or the Agency Agreement to be avoided under Bankruptcy Code section 363(n). The Debtors and the Purchaser were represented by their own respective counsel and other advisors during such arm's length negotiations in connection with the Agreement, the Agency Agreement, and the Sale.

W. No party has objected to the Sale, the Agreement, the Agency Agreement, or the Auction on the grounds of fraud or collusion.

X. Accordingly, the Purchaser is purchasing the Salt Life Assets (or in the case of the Designated Assets, selling the Designated Assets pursuant to the Agency Agreement) in good faith and is a good-faith buyer within the meaning of Bankruptcy Code section 363(m). The Purchaser is therefore entitled to all of the protections afforded under Bankruptcy Code section 363(m).

Security Interest

Y. Subject to and upon the Closing, the security interests and liens provided for in the Agency Agreement and this Sale Order to secure the obligations of the Debtors to Hilco under the Agency Agreement are necessary to induce Hilco to agree to terms of the Agency Agreement that maximize value for the Debtors' estates. The absence of such protections would impact materially and adversely the value available to the Debtors. But for the protections afforded to Hilco under the Bankruptcy Code, this Sale Order, and the Agency Agreement, the consideration contemplated by the Agreement would have been materially less, the Purchaser would not have entered into the Agreement, and the Purchaser would not consummate the transactions contemplated thereby, thus materially and adversely affecting the Debtors, their estates, and their creditors. Accordingly, the reversal or modification on appeal of the grant under Bankruptcy Section 364 of the security

interests and liens and the priority thereof in favor of Hilco under the Agency Agreement and this Sale Order shall not affect the validity or any priority of the security interests and liens so granted.

Highest and Best Offer

Z. The Debtors conducted a sale process in accordance with, and have otherwise complied in all respects with, the Bid Procedures Order. The sale process set forth in the Bid Procedures Order afforded a full, fair, and reasonable opportunity for any person or entity to make a higher or otherwise better offer to purchase the Salt Life Assets (or in the case of the Designated Assets, the sale of the Designated Assets pursuant to the Agency Agreement). The Auction was duly noticed in a non-collusive, fair, and good-faith manner, and a reasonable opportunity has been given to any interested party to make a higher and better offer for the Salt Life Assets.

AA. (i) The Debtors and their advisors engaged in a robust and extensive marketing and sale process, both prior to the commencement of these Chapter 11 Cases and through the postpetition sale process in accordance with the Bid Procedures Order and the sound exercise of the Debtors' business judgment; (ii) the Debtors conducted a fair and open sale process; (iii) the sale process, the Bid Procedures, and the Auction were non-collusive, duly noticed, and provided a full, fair, reasonable, and adequate opportunity for any entity that either expressed an interest in acquiring the Salt Life Assets, or who the Debtors believed may have had an interest in acquiring the Salt Life Assets, to make an offer to purchase the Debtors' assets, including, without limitation, the Salt Life Assets; (iv) the Debtors and the Purchaser have negotiated and undertaken their roles leading to the entry into the Agreement and the Agency Agreement in a diligent, non-collusive, fair, reasonable, and good faith manner; and (v) the sale process conducted by the Debtors resulted in the highest or otherwise best value for the Salt Life Assets for the Debtors and their estates, was in the best interest of the Debtors, their estates, their creditors, and all parties in interest, and any

other transaction would not have yielded as favorable a result. There is no legal or equitable reason to delay consummation of the Agreement or the Agency Agreement and the transactions contemplated therein.

BB. The Agreement, including the Agency Agreement, constitutes the highest and best offer for the Salt Life Assets, and will provide a greater recovery for the Debtors' estates than would be provided by any other available alternative. The Debtors' determination that the Agreement, including the Agency Agreement, constitutes the highest and best offer for the Salt Life Assets constitutes a valid and sound exercise of the Debtors' business judgment.

CC. The Agreement, including the Agency Agreement, represents a fair and reasonable offer to purchase the Salt Life Assets (or in the case of the Designated Assets, the sale of the Designated Assets pursuant to the Agency Agreement) under the circumstances of these Chapter 11 Cases. No other entity or group of entities has offered to purchase the Salt Life Assets for greater overall value to the Debtors' estates than the Purchaser.

DD. Approval of the Sale Motion and authorizing the Debtors to enter into the Agreement and the Agency Agreement and the consummation of the transactions contemplated thereby are in the best interests of the Debtors, their estates, their creditors, and other parties in interest.

EE. The Debtors have demonstrated compelling circumstances and a good, sufficient, and sound business purpose and justification for the sale of the Salt Life Assets prior to, and outside of, a plan of reorganization.

FF. Entry of an order authorizing the Debtors to enter into the Agreement and the Agency Agreement and all the provisions thereof is a necessary condition precedent to Purchaser's

consummation of the Sale, as set forth in the Agreement, and Hilco's entry into and consummation of the Agency Agreement.

No Fraudulent Transfer or Merger

GG. The consideration provided by the Purchaser pursuant to the Agreement and the Agency Agreement (a) is fair and reasonable, (b) is the highest or best offer for the Salt Life Assets, and (c) constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code, the Uniform Fraudulent Transfer Act, the Uniform Fraudulent Conveyance Act, and under the laws of the United States, any state, territory, possession, or the District of Columbia.

HH. The Purchaser is not a mere continuation of the Debtors or their estates, and there is no continuity of enterprise between the Purchaser and the Debtors. The Purchaser is not holding itself out to the public as a continuation of the Debtors or their respective estates. The Purchaser is not a successor to the Debtors or their estates, and the Sale, or other sale, transfer, or disposition of the Designated Assets, or entry into the Agreement or the Agency Agreement does not amount to a consolidation, merger, or *de facto* merger of the Purchaser and the Debtors.

Validity of Transfer

II. Neither the Agreement nor the Agency Agreement was entered into for the purpose of hindering, delaying, or defrauding creditors under the Bankruptcy Code or under the laws of the United States, any of its states, territories, or possessions, or the District of Columbia. Neither the Debtors nor the Purchaser are entering into the transactions contemplated by the Agreement and the Agency Agreement fraudulently, for the purposes of statutory and common law fraudulent conveyance and fraudulent transfer claims.

JJ. The Debtors are the sole and lawful owner of the Salt Life Assets. Subject to Bankruptcy Code section 363(f) (addressed below), the transfer of the Salt Life Assets to the

Purchaser (or in the case of the Designated Assets, the sale of the Designated Assets pursuant to the Agency Agreement) will be, as of the Closing Date, a legal, valid, and effective transfer of the Salt Life Assets, which transfer vests or will vest the Purchaser (or in the case of the Designated Assets, customers who purchase such Designated Assets as part of the Agency Sale Transaction) with all right, title, and interest of the Debtors to the Salt Life Assets free and clear of (i) all liens (including any liens as that term is defined in section 101(37) of the Bankruptcy Code) and Encumbrances (as defined in the Agreement) relating to, accruing, or arising any time prior to the Closing Date (collectively, the “**Liens**”), and (ii) all debts (as that term is defined in section 101(12) of the Bankruptcy Code) arising under, relating to, or in connection with any act of the Debtors or claims (as that term is defined in section 101(5) of the Bankruptcy Code), liabilities, obligations, demands, guaranties, options in favor of third parties, rights, contractual commitments, restrictions, interests, mortgages, hypothecations, charges, indentures, loan agreements, instruments, collective bargaining agreements, leases, licenses, deeds of trusts, security interests or similar interests, conditional sale or other title retention agreements and other similar impositions, restrictions on transfer or use, pledges, judgments, claims for reimbursement, contribution, indemnity, exoneration, infringement, products liability, alter ego liability, suits, credits, allowances, options, limitations, causes of action, choses in action, rights of first refusal or first offer, rebate, chargeback, credit, or return, proxy, voting trust or agreement or transfer restriction under any shareholder or similar agreement or encumbrance, easements, rights of way, encroachments, Liabilities (as defined in the Agreement), and matters of any kind and nature, whether arising prior to or subsequent to the Petition Date, whether known or unknown, legal or equitable, mature or unmatured, contingent or noncontingent, liquidated or unliquidated, asserted or unasserted, whether imposed by agreement, understanding, law, equity, or otherwise (including,

without limitation, rights with respect to Claims (as defined below) and Liens (A) that purport to give any party a right or option to effect any forfeiture, modification, profit sharing interest, right of first refusal, purchase or repurchase right or option, or termination of, any of the Debtors' or the Purchaser's interests in the Salt Life Assets, or any similar rights, if any, or (B) in respect of taxes, restrictions, rights of first refusal, charges of interests of any kind or nature, if any, including without limitation, any restriction of use, voting, transfer, receipt of income, or other exercise of any attribute of ownership) collectively, as defined in this clause (ii), the "**Claims**" and, together with the Liens and other interests of any kind or nature whatsoever, the "**Interests**"), relating to, accruing or arising any time prior to the entry of this Sale Order, with the exception of the Assumed Liabilities and the Permitted Encumbrances (each as defined in the Agreement for conveyance purposes) to the extent set forth in the Agreement, and any covenants set forth in the Agreement.

KK. Notwithstanding anything to the contrary in this Sale Order, the secured ad valorem taxes owed by the Debtors to Galveston County and Dickinson Independent School District (the "**Texas Taxing Authorities**") for tax years 2023 and the Debtors' pro-rata share of 2024 taxes pertaining to the applicable Salt Life Assets (the "**Property Taxes**"), shall attach to the sale proceeds and that the Debtors will pay the Property Taxes within ten (10) days of the closing of the Sale transaction. The post-closing 2024 ad valorem taxes pertaining to the applicable Salt Life Assets shall be prorated in accordance with the sale documents (such prorated amount, the "**Post-Closing Property Taxes**") and shall become the responsibility of the Purchaser. The Texas Taxing Authorities' ad valorem tax liens shall be retained against the applicable Salt Life Assets to secure payment of the Post-Closing Property Taxes until said taxes are paid in full.

LL. For the avoidance of doubt, the terms "Liens" and "Claims," as used in this Sale Order, include, without limitation, rights with respect to any Liens and Claims:

- (a) that purport to give any party a right or option to affect any forfeiture, modification, profit-sharing interest, right of first refusal, purchase or repurchase writer option, or termination of, any of the Debtors' or the Purchaser's interest in the Salt Life Assets, or any similar rights; or
- (b) in respect of taxes, restrictions, rights of first refusal, charges of interest of any kind and nature, if any, and including, without limitation, any restriction of use, voting, transfer, receipt of income, or other exercise of any of the attributes of ownership relating to, accruing, or arising at any time prior to the Closing Date, with the exception of Permitted Encumbrances and Assumed Liabilities (as those terms are defined in the Agreement) that are expressly assumed by the Purchaser pursuant to the Agreement.

MM. For the further avoidance of doubt, the Purchaser is expressly assuming responsibility for, and the Salt Life Assets will be transferred subject to, the Cure Amounts and any obligations arising at or after the Closing Date under the Assigned Contracts, as set forth in the Agreement.

NN. To the extent there is a transfer of personally identifiable information about any individuals by the Debtors to the Purchaser pursuant to the Agreement, such transfer is consistent with the Debtors' privacy policies in effect as of the Petition Date (see Motion, at ¶ 98) as provided in Bankruptcy Code section 363(b)(1).

Section 363(f) Is Satisfied

OO. The Salt Life Assets 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. The Debtors are the sole and rightful owners of the Salt Life Assets, and no other entity has any ownership right, title, or interest therein.

PP. The conditions of Bankruptcy Code section 363(f) have been satisfied in full; therefore, the Debtors may sell the Salt Life Assets to the Purchaser (or in the case of the Designated Assets, to customers who purchase such Designated Assets as part of the Agency Sale

Transaction) free and clear of any Interests other than any Permitted Encumbrances and Assumed Liabilities.

QQ. The Purchaser would not have entered into the Agreement, and would not consummate the transactions contemplated thereby, if the sale of the Salt Life Assets to the Purchaser (or in the case of the Designated Assets, to customers who purchase such Designated Assets as part of the Agency Sale Transaction) and the assumption of any Assumed Liabilities by the Purchaser were not free and clear of all Interests, other than Permitted Encumbrances and the Assumed Liabilities, or if the Purchaser would, or in the future could, be liable for any of such Interests (other than the Permitted Encumbrances and the Assumed Liabilities). Unless otherwise expressly included in the Permitted Encumbrances or the Assumed Liabilities, the Purchaser shall not be responsible for any Interests against the Debtors, their estates, or any of the Salt Life Assets, including in respect of the following: (a) any labor or employment agreement; (b) all mortgages, deeds of trust, and other security interests; (c) intercompany loans and receivables among the Debtors and any of their affiliates (as defined in Bankruptcy Code section 101(2)); (d) any other environmental, employee, workers' compensation, occupational disease, or unemployment- or temporary disability-related claim, including, without limitation, claims that might otherwise arise under or pursuant to (i) the Employee Retirement Income Security Act of 1974, as amended, (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 Worker Adjustment and Retraining Notification Act of 1988, (vii) the Age Discrimination and Employee Act of 1967 and the Age Discrimination in Employment Act, as amended, (viii) the Americans with Disabilities Act of 1990, (ix) the Consolidated Omnibus Budget Reconciliation Act of 1985, (x) state discrimination laws, (xi) the unemployment compensation laws or any other similar state laws, or

(xii) any other state or federal benefits or claims relating to any employment with the Debtors or their predecessor, if any, (xiii) Claims or Liens arising under any federal, state or municipal environmental laws with respect to the Debtors' business, Excluded Liabilities (as defined in the Agreement), the Salt Life Assets, the Excluded Assets (as defined in the Agreement), or any assets owned or operated by the Debtors or any corporate predecessor of the Debtors, at any time prior to the Closing Date, (xiv) any bulk sales or similar law, (xv) any tax statutes or ordinances, including, without limitation, the Internal Revenue Code of 1986, as amended, and (xvi) any statutory or common-law bases for successor liability.

RR. The Debtors may sell the Salt Life Assets free and clear of all Interests in such property of any entity other than the Debtors' estates, including, without limitation, any Liens and Claims against the Debtors, their estates, or any of the Salt Life Assets (other than the Permitted Encumbrances and Assumed Liabilities) because, in each case, one or more of the standards set forth in Bankruptcy Code section 363(f)(1)-(5) has been satisfied. Those holders of Interests in the Salt Life Assets, including, without limitation, holders of Liens and Claims against the Debtors, their estates, or any of the Salt Life Assets, who did not object, or who withdrew their objections, to the Sale or the Sale Motion are deemed to have consented pursuant to Bankruptcy Code section 363(f)(2). All other holders of Interests (except to the extent such Interests are Permitted Encumbrances or Assumed Liabilities) are adequately protected by having their Interests, if any, in each instance against the Debtors, their estates, or any of the Salt Life Assets, attached to the net proceeds of the Sale received by the Debtors ultimately attributable to the Salt Life Assets in which such party alleges an Interest, in the same order of priority, with the same validity, force, and effect that such Interests had prior to the Sale, subject to any claims and defenses the Debtors and their estates may possess with respect thereto.

Assumption and Assignment of the Assigned Contracts

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

TT. Unless otherwise agreed and stated on the record at the Sale Hearing, the respective amounts set forth under the “Cure Amount” on Exhibit 1 attached hereto reflects the sole amounts necessary under Bankruptcy Code section 365(b) to cure all monetary defaults and pay all pecuniary losses under the Assigned Contracts (collectively, the “**Cure Amounts**”), and no other amounts are or shall be due in connection with the assumption by the Debtors and the assignment to the Purchaser of the Assigned Contracts.

UU. As of the Closing Date, subject only to the payment of the Cure Amounts, as determined in accordance with the procedures identified in the Sale Motion and its accompanying and related documents, each of the Assigned Contracts will be in full force and effect and enforceable by the Purchaser against any Contract Counterparty thereto in accordance with its terms.

VV. The Debtors have, to the extent necessary, satisfied the requirements of Bankruptcy Code sections 365(b)(1) and 365(f) in connection with the Sale, the assumption and assignment of the Assigned Contracts, and shall upon assignment thereto on the Closing Date, be relieved from any liability for any breach thereof.

WW. The Purchaser has demonstrated it has the financial wherewithal to fully perform and satisfy the obligations under the Assigned Contracts as required by Bankruptcy Code sections

365(b)(1)(C) and 365(f)(2)(B). Pursuant to Bankruptcy Code section 365(f)(2)(B), the Purchaser has provided adequate assurance of future performance of the obligations under the Assigned Contracts.

XX. The Purchaser's promise to pay the Cure Amounts and to perform the obligations under the Assigned Contracts after the Closing Date shall constitute adequate assurance of future performance within the meaning of Bankruptcy Code sections 365(b)(1)(C) and 365(f)(2)(B).

YY. Any objections to the assumption and assignment of any of the Assigned Contracts to the Purchaser are hereby overruled or withdrawn. Any objections to the Cure Amounts are hereby overruled or withdrawn. To the extent any Contract Counterparty failed to timely object to its Cure Amount or to the assumption and assignment of its Assigned Contracts to the Purchaser, such Contract Counterparty is bound by such Cure Amount and the assignment of its Assigned Contract(s) to the Purchaser.

ZZ. No sections or provisions of the Assigned Contracts that purport to (a) prohibit, restrict or condition the Debtors' assignment of the Assigned Contracts, including, but not limited to, the conditioning of such assignment on the consent of the non-debtor parties to such Assigned Contracts; (b) authorize the termination, cancellation or modification of the Assigned Contracts based on the filing of a bankruptcy case, the financial condition of the Debtors or similar circumstances; or (c) declare a breach or default or otherwise give rise to a right of termination as a result of any change in control in respect of the Debtors, shall have any force and effect, and such provisions constitute unenforceable anti-assignment provisions under Bankruptcy Code section 365(f) and/or are otherwise unenforceable under Bankruptcy Code section 365(e).

AAA. The (i) transfer of the Salt Life Assets to the Purchaser (or in the case of the Designated Assets, to the customers who purchase such Designated Assets as part of the Agency

Sale Transaction) and (ii) assignment to the Purchaser of the Assigned Contracts, will not subject the Purchaser or any of its affiliates to any liability whatsoever that arises prior to the Closing or by reason of such transfer under the laws of the United States, any state, territory, or possession thereof, or the District of Columbia, based, in whole or in part, directly or indirectly, on any theory of antitrust, successor, transferee, derivative, or vicarious liability or any similar theory and/or applicable state or federal law or otherwise.

Sound Business Purpose for the Sale

BBB. Good and sufficient reasons for approval of the Debtors' entry into the Agreement and the Agency Agreement and the Sale have been articulated. The relief requested in the Sale Motion and entry into the Agreement and the Agency Agreement is in the best interests of the Debtors, their estates, their creditors, and other parties in interest.

CCC. The Debtors have demonstrated both (a) good, sufficient, and sound business purposes and justifications for authorizing them to enter into the Agreement and the Agency Agreement and (b) compelling circumstances for the sale outside the ordinary course of business, pursuant to Bankruptcy Code section 363(b) before, and outside of, a plan of reorganization, in that, among other things, the immediate consummation of the Sale, including the Agency Sale Transaction, is necessary and appropriate to maximize the value of the Debtors' estates, and the Sale, including the Agency Sale Transaction, will provide the means for the Debtors to maximize distributions to creditors.

Compelling Circumstances for an Immediate Sale

DDD. To maximize the value of the Salt Life Assets and preserve the viability of the business to which the Salt Life Assets relate, it is essential the Sale, including the Agency Sale Transaction, occur promptly. Therefore, time is of the essence in effectuating the Agreement and the Agency Agreement and consummating the Sale, including the Agency Sale Transaction. As

such, the Debtors and the Purchaser intend to close the Sale, including the Agency Sale Transaction, as soon as reasonably practicable. The Debtors have demonstrated compelling circumstances and a good, sufficient and sound business purpose and justification for immediate approval for them to enter into and consummate the Agreement and the Agency Agreement. Accordingly, there is sufficient cause to waive the stay provided in Bankruptcy Rules 6004(h) and 6006(d).

EEE. Given all of the circumstances of these Chapter 11 Cases and the adequacy and fair value of the Purchase Price under the Agreement, the proposed sale of the Salt Life Assets to the Purchaser (or in the case of the Designated Assets, selling the Designated Assets pursuant to the Agency Agreement) constitute a reasonable and sound exercise of the Debtors' business judgment and should be approved.

FFF. The consummation of the Sale, including the Agency Sale Transaction, and the assumption and assignment of the Assigned Contracts is legal, valid, and properly authorized under all applicable provisions of the Bankruptcy Code, including, without limitation Bankruptcy Code sections 105(a), 363(b), 363(f), 363(m), 364, and 365, and all of the applicable requirements of such sections have been complied with in respect of the transaction.

GGG. The Sale does not constitute a *sub rosa* or *de facto* chapter 11 plan for which approval has not been sought without the protections a disclosure statement would afford, 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 Bankruptcy Code sections 1125 and 1129; or (iv) classify claims or equity interests, compromise controversies, or extend debt maturities. Accordingly, neither the Sale, the Agency Sale Transaction, nor entry into

the Agreement or the Agency Agreement impermissibly restructures the rights of the Debtors' creditors, or impermissibly dictates a liquidating chapter 11 plan for the Debtors.

HHH. For the avoidance of doubt, none of the Salt Life Assets under the Agreement or the Agency Agreement includes any of the equipment leased to the Debtors pursuant to (1) the leases of Regions Equipment Finance Corporation and Regions Commercial Equipment Finance, LLC, or (2) the leases of LEAF Capital Funding, LLC.

III. The Dispute Resolution Procedures (as defined below) are fair and reasonable and comply with applicable law.

JJJ. In connection with the Agency Sale Transaction, Hilco is authorized to distribute emails and promotional materials to the Debtors' customers consistent with the Debtors' existing policies on the use of consumer information.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

General Provisions.

1. **Relief Granted.** The relief requested in the Sale Motion is approved and the Debtors are authorized to enter into and consummate the transactions contemplated thereby and in the Agreement and the Agency Agreement for the reasons set forth in this Sale Order and on the record of the Sale Hearing, which is incorporated herein as if fully set forth in this Sale Order.

2. **Objections Overruled.** All objections, statements, and reservations of rights to the Sale Motion, the relief requested therein, and the entry into the Agreement or the Agency Agreement that have not been withdrawn, waived, or settled by announcement to the Court during the Sale Hearing or by stipulation filed with the Court, including, without limitation, any and all reservations of rights included in such objections or otherwise, are hereby denied and overruled

on the merits, with prejudice. Those parties who did not object, or withdrew their objections, to the Sale Motion are deemed to have consented pursuant to Bankruptcy Code section 363(f)(2).

3. **Prior Findings and Conclusions Incorporated.** This Court's findings of fact and conclusions of law set forth in the Bid Procedures Order are incorporated herein by reference.

4. **Sale Order, Agency Agreement, and Agreement Binding on All Parties.** This Sale Order, the Agreement, and the Agency Agreement shall be binding in all respects upon all successors and assigns of the Debtors, and any subsequent trustees appointed in the Chapter 11 Cases or upon a conversion of the Chapter 11 Cases to one or more cases under chapter 7 of the Bankruptcy Code and shall not be subject to rejection or unwinding. Nothing in any chapter 11 plan confirmed in the Chapter 11 Cases, the confirmation order confirming any such chapter 11 plan, any order approving the wind down or dismissal of the Chapter 11 Cases, or any order entered upon the conversion of the Chapter 11 Cases to one or more cases under chapter 7 of the Bankruptcy Code or otherwise shall conflict with or derogate from the provisions of the Agreement, the Agency Agreement, or this Sale Order.

Authorization of the Agreement and the Agency Agreement

5. **Debtors' Entry Into Agreements Approved.** The Debtors' entry into and consummation of the Agreement, the Agency Agreement, and all other ancillary documents, and all of the terms and conditions thereof, are hereby approved. The failure to include any particular provision of the Agreement or the Agency Agreement specifically in this Sale Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the Debtors are authorized to enter into and consummate the Agreement, the Agency Agreement, and all of its and their provisions, payments, and transactions, in their entirety. Likewise, all of the provisions of this Sale Order are nonseverable and mutually dependent.

6. **Authorization to Consummate Transactions.** Pursuant to Bankruptcy Code sections 363(b) and (f), the Debtors are authorized and empowered to use their reasonable best efforts to take any and all actions necessary or appropriate to (a) consummate the Sale pursuant to and in accordance with the terms and conditions of the Agreement and the sale of the Designated Assets pursuant to and in accordance with the Agency Agreement, (b) close the Sale as contemplated in the Agreement, the Agency Agreement, and this Sale Order, and (c) execute and deliver, perform under, consummate, implement, and fully close (i) the Agreement, including the assumption and assignment to the Purchaser of the Assigned Contracts, together with additional instruments and documents that may be reasonably necessary or desirable to implement the Agreement and the Sale and (ii) the Agency Agreement together with additional instruments and documents that may be reasonably necessary or desirable to implement the Agency Agreement and the sale of the Designated Assets.

7. Any amounts payable to Hilco under the Agency Agreement shall be payable to Hilco without the need for any application of Hilco therefor or any further order of the Court.

Transfer of the Salt Life Assets

8. **Transfer of the Salt Life Assets Authorized.** Pursuant to Bankruptcy Code sections 105(a), 363(b), 363(f), and 365 the Debtors are authorized to (a) take any and all actions necessary or appropriate to perform, consummate, implement, and close the Sale in accordance with the terms and conditions set forth in the Agreement, the Agency Agreement and this Sale Order, (b) assume and assign any and all Assigned Contracts, and (c) take all further actions and execute and deliver the Agreement, the Agency Agreement, and other related ancillary transaction documents and any and all additional instruments and documents that may be necessary or appropriate to implement the Agreement, the Agency Agreement, and the other related documents and consummate the Sale, including the Agency Sale Transactions, in accordance with the terms

thereof, all without further order of the Court. At Closing, all of the Debtors' right, title, and interest in and to, and possession of, the Salt Life Assets shall be immediately vested in the Purchaser (other than the Designated Assets, which shall remain with the Debtors subject to and in accordance with the terms and conditions of the Agency Agreement until such Designated Assets are sold to customers who purchase such Designated Assets). Such transfer shall constitute a legal, valid, enforceable, and effective transfer of the Salt Life Assets.

9. **Surrender of Salt Life Assets by Third Parties.** All persons and entities that are in possession of some or all of the Salt Life Assets on the Closing Date are directed to surrender possession of such Salt Life Assets to the Purchaser (or in the case of the Designated Assets, to the Debtors for sale under the Agency Agreement) or its assignee at the Closing. On the Closing Date, subject to the terms of the Agreement and Agency Agreement and this Sale Order, each of the Debtors' creditors are authorized to execute such documents and take such other actions as may be reasonably necessary to release their Interests (excluding Assumed Liabilities and Permitted Encumbrances) in the Salt Life Assets, if any, as such Interests may have been recorded or may otherwise exist. All persons are hereby forever prohibited and enjoined from taking any action that would adversely affect or interfere with, or which would be inconsistent with, the ability of the Debtors to sell and transfer the Salt Life Assets to the Purchaser (or in the case of the Designated Assets, the customers who purchase such Designated Assets as part of the Agency Sale Transaction) in accordance with the terms of the Agreement, the Agency Agreement, and this Sale Order.

10. **Transfer Free and Clear of Interests.** Upon the Debtors' receipt of the Purchase Price, and other than Permitted Encumbrances and Assumed Liabilities specifically set forth in the Agreement, the transfer of the Salt Life Assets to the Purchaser (or in the case of the Designated

Assets, the customers who purchase such Designated Assets as part of the Agency Sale Transaction) shall be free and clear of all Interests of any kind or nature whatsoever, including, without limitation, (a) successor or successor-in-interest liability, (b) Claims in respect of the Excluded Liabilities, and (c) any and all Contracts not assumed and assigned to the Purchaser pursuant to the terms of the Agreement, with all such Interests to attach to the net proceeds received by the Debtors ultimately attributable to the Salt Life Assets against, or in, which such Interests are asserted, subject to the terms thereof, with the same validity, force, and effect, and in the same order of priority, which such Interests now have against the Salt Life Assets, subject to any rights, claims, and defenses that the Debtors or their estates, as applicable, may possess with respect thereto. If any person or entity that has filed financing statements, mortgages, mechanic's liens, *lis pendens* or other documents or agreements evidencing Encumbrances against or in the Salt Life Assets shall not have delivered to the Debtors prior to the Closing of the Sale in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction or releases of all Encumbrances that the person or entity has with respect to such Salt Life Assets, then only with regard to the Salt Life Assets that are purchased by the Purchaser pursuant to the Agreement and this Sale Order, the Debtors are hereby authorized to execute and file such statements, instruments, releases and other documents on behalf of the person or entity with respect to the Salt Life Assets.

11. **Legal, Valid, and Marketable Transfer with Permanent Injunction.** The transfer of the Salt Life Assets to the Purchaser pursuant to the Agreement (or in the case of the Designated Assets, the customers who purchase such Designated Assets as part of the Agency Sale Transaction) constitutes a legal, valid, and effective transfer of good and marketable title of the Salt Life Assets, and vests, or will vest, the Purchaser with all right, title, and interest to the Salt

Life Assets (or in the case of the Designated Assets, the customers who purchase such Designated Assets as part of the Agency Sale Transaction), free and clear of all Interests except as otherwise expressly stated as obligations of the Purchaser under the Agreement. All Persons holding interests or claims of any kind or nature whatsoever against the Debtors or the Salt Life Assets, the operation of the Salt Life Assets prior to the Closing Date, the Auction or the Sale, but excluding, for the avoidance of doubt, Persons owed Assumed Liabilities and Persons holding Permitted Encumbrances, are hereby and forever barred, estopped, and permanently enjoined from asserting against the Purchaser, its successors or assigns, its property, or the Salt Life Assets, any claim, interest or liability existing, accrued, or arising prior to the Closing.

12. **Recording Offices and Releases of Interests.** On the Closing Date, this Sale Order shall be construed and shall constitute for any and all purposes a full and complete assignment, conveyance, and transfer of the Salt Life Assets or a bill of sale transferring good and marketable title of the Salt Life Assets to the Purchaser. This Sale Order is and shall be effective as a determination that, on the Closing Date, all Interests of any kind or nature whatsoever existing as to the Salt Life Assets prior to the Closing, other than Permitted Encumbrances and Assumed Liabilities, or as otherwise provided in this Sale Order, shall have been unconditionally released, discharged, and terminated, and that the conveyances described herein have been affected. This Sale Order is and shall be binding upon and govern the acts of all persons, including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal and local officials, and all other persons 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; and each of the foregoing persons is hereby authorized to accept for filing any and all of the documents and instruments necessary and appropriate to consummate the transactions contemplated by the Agreement and the Agency Agreement. Each and every federal, state, and local governmental agency or department is hereby authorized to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the Agreement and the Agency Agreement. A certified copy of this Sale Order may be: (a) filed with the appropriate clerk; (b) recorded with the recorder; and/or (c) filed or recorded with any other governmental agency to act to cancel any Interests against the Salt Life Assets, other than the Permitted Encumbrances and Assumed Liabilities.

13. **Cancellation of Third-Party Interests.** If any person or entity which has filed statements or other documents or agreements evidencing Interests on or in all or any portion of the Salt Life Assets (other than with respect to Permitted Encumbrances or Assumed Liabilities) has not delivered to the Debtors prior to the Closing, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, releases of liens and easements, and any other documents necessary for the purpose of documenting the release of all Interests which such person or entity has or may assert with respect to all or a portion of the Salt Life Assets, the Debtors and the Purchaser are authorized to execute and file such statements, instruments, releases and other documents on behalf of such person or entity with respect to the Salt Life Assets. Notwithstanding the foregoing, the provisions of this Sale Order authorizing the transfer of the Salt Life Assets free and clear of all Interests (except only for Permitted Encumbrances and Assumed Liabilities) shall be self-executing, and it shall not be, or be deemed, necessary for any person or entity to execute or file releases, termination statements, assignments, consents, or other instruments in order for the provisions of this Sale Order to be implemented.

14. **Commencement of Agency Sale Transaction.** Pursuant to sections 105(a), 363(b), 363(f), and 365 of the Bankruptcy Code, Hilco is authorized to act as the Debtors' exclusive agent to conduct sale of the Designated Assets in accordance with the terms of the Agency Agreement, which Designated Assets shall be sold free and clear of all Interests in accordance with section 363(f) of the Bankruptcy Code or otherwise. Pursuant to sections 105, 363, and 365 of the Bankruptcy Code, the Debtors and their respective officers, employees, and agents, are authorized to commence the Sales and to execute, deliver, and perform their obligations under and comply with the terms of the Agency Agreement, including, without limitation, by taking any and all actions as may be necessary or desirable to implement and effectuate the Agency Sale Transaction and each of the transactions and related actions contemplated thereby pursuant to and in accordance with the terms and conditions of the Agency Agreement and this Sale Order. Any authorized officer of the Debtors is specifically authorized to act on behalf of the Debtors in connection with the Agency Sale Transaction, and no other consents or approvals are necessary or required for the Debtors to carry out the Agency Sale Transaction, effectuate the Agency Agreement, and effectuate each of the transactions and related actions contemplated or set forth therein. The Debtors, their affiliates, and each of their respective officers, employees, and agents, are authorized to execute and deliver, and authorized to perform under, consummate, and implement all additional instruments and documents that may be reasonably necessary or desirable to implement the Agency Agreement and to take all further actions as may be necessary or appropriate to the performance of the Debtors' obligations contemplated by the Agency Agreement, all without further order of the Court.

15. **Sale Guidelines.** Subject to the provisions of this Sale Order, the Debtors and Hilco are hereby authorized, pursuant to sections 105(a) and 363(b)(1) of the Bankruptcy Code, to

conduct Sales in accordance with the Agency Agreement and the sale guidelines (the “**Sale Guidelines**”) attached as Exhibit 6.2 to the Agency Agreement, which Sale Guidelines are hereby approved in their entirety.

Assumption and Assignment of Contracts

16. **Authorization to Assume and Assign.** Upon the Closing, the Debtors are authorized, in accordance with Bankruptcy Code sections 105(a), 363 and 365, to assume and assign each of the Assigned Contracts to the Purchaser free and clear of all Interests as of the Closing Date. The payment of the applicable Cure Amounts (if any) by the Purchaser shall (a) effect a cure or adequate assurance of cure of all defaults existing thereunder as of the date on which the Debtors filed their voluntary petitions for relief under chapter 11 of the Bankruptcy Code (the “**Petition Date**”) and (b) compensate for any actual pecuniary loss to such Contract Counterparty resulting from such default. The Purchaser shall then have assumed the Assigned Contracts and, pursuant to Bankruptcy Code section 365(f), the assignment by the Debtors of such Assigned Contracts shall not be a default thereunder. After the payment of the relevant Cure Amounts, neither the Debtors, nor the Purchaser shall have any further liabilities to the Contract Counterparties other than the Purchaser’s obligations under the Assigned Contracts, that accrue and become due and payable on or after the Closing Date. Notwithstanding the foregoing, the Cure Amounts only relate to any prepetition amounts owed by the Debtors to the Contract Counterparties, and nothing herein shall affect the right of the Contract Counterparties to file or assert administrative expense claims against the Debtors on account of any postpetition amounts due under the Assigned Contracts, and the right of the Debtors to contest or object to any such administrative expense claims is preserved.

17. **Assignment Requirements Satisfied.** The Assigned Contracts shall be transferred to, and remain in full force and effect for the benefit of, the Purchaser, in accordance with their

respective terms, notwithstanding (a) any provision in any such Assigned Contract (including provisions of the type described in Bankruptcy Code sections 365(b)(2), (e)(1) and (f)(1)) which prohibits, restricts or conditions such assignment or transfer or (b) any default by the Debtors prior to Closing under any such Assigned Contract or any disputes between the Debtors and a Contract Counterparty with respect to any such Assigned Contract arising prior to Closing. In particular, any provisions in any Assigned Contract that restrict, prohibit or condition the assignment of such Assigned Contract or allow the Contract Counterparty to such Assigned Contract to terminate, recapture, impose any penalty, condition on renewal or extension or modify any term or condition upon the assignment of such Assigned Contract, constitute unenforceable anti-assignment provisions that are void and of no force and effect. Additionally, no sections or provisions of the Assigned Contracts that purport to (a) prohibit, restrict or condition the Debtors' assignment of the Assigned Contracts, including, but not limited to, the conditioning of such assignment on the consent of the non-debtor parties to such Assigned Contracts; (b) authorize the termination, cancellation or modification of the Assigned Contracts based on the filing of a bankruptcy case, the financial condition of the Debtors or similar circumstances; or (c) declare a breach or default or otherwise give rise to a right of termination as a result of any change in control in respect of the Debtors, shall have any force and effect, and such provisions constitute unenforceable anti-assignment provisions under Bankruptcy Code section 365(f) and/or are otherwise unenforceable under Bankruptcy Code section 365(e). All other requirements and conditions under Bankruptcy Code sections 363 and 365 for the assumption by the Debtors and assignment to the Purchaser of the Assigned Contracts have been satisfied. Upon the Closing, in accordance with Bankruptcy Code sections 363 and 365, the Purchaser shall be fully and irrevocably vested with all right, title, and interest of the Debtors under the Assigned Contracts.

18. **Contract Counterparties Bound to Assignment.** The Contract Counterparties to each Assigned Contract shall be and hereby are deemed to be bound by such assumption and assignment under Bankruptcy Code section 365(c)(1)(B), and the Purchaser shall enjoy all of the rights and benefits under each such Assigned Contract as of the Closing Date without the necessity of obtaining the Contract Counterparty's written consent to the assumption and assignment thereof.

19. **Section 365(k).** Upon the Closing and (a) the payment of the applicable Cure Amount or (b) in the event of any dispute over the appropriate Cure Amount, the reserve and escrow of the amount necessary to satisfy the Cure Amount asserted by the Contract Counterparty pending resolution of the dispute by this Court, the Purchaser shall be deemed to be substituted for the Debtors as a party to the applicable Assigned Contracts and the Debtors and their estates shall be relieved, pursuant to Bankruptcy Code section 365(k), from any further liability under the Assigned Contracts.

20. **No Default.** Subject to the terms hereof with respect to the Cure Amounts, all defaults or other obligations of the Debtors under the Assigned Contracts arising or accruing prior to the Closing Date have been cured or shall promptly be cured by the Debtors in accordance with the terms hereof such that the Purchaser shall have no liability or obligation with respect to any default or obligation arising or accruing under any Assigned Contract prior to the Closing Date, except to the extent expressly provided in the Agreement and the Purchaser's payment of the Cure Amounts. Each party to an Assigned Contract is forever barred, estopped, and permanently enjoined from asserting against the Purchaser or its property or affiliates, or successors and assigns, any breach or default under any Assigned Contract, any claim of lack of consent relating to the assignment thereof, or any counterclaim, defense, setoff, right of recoupment or any other matter arising prior to the Closing Date for such Assigned Contract or with regard to the assumption and

assignment therefore pursuant to the Agreement or this Sale Order. Upon the payment of the applicable Cure Amount, if any, the Assigned Contracts will remain in full force and effect, and no default shall exist under the Assigned Contracts nor shall there exist any event or condition which, with the passage of time or giving of notice, or both, would constitute such a default.

21. **Adequate Assurance Provided.** The requirements of Bankruptcy Code sections 365(b)(1) and 365(f)(2) are hereby deemed satisfied with respect to the Assigned Contracts based on the Purchaser's evidence of its financial condition and wherewithal and without any further action by the Purchaser, including but not limited to any other or further deposit. Pursuant to Bankruptcy Code section 365(f), the Purchaser has provided adequate assurance of future performance of the obligations under the Assigned Contracts.

22. **No Fees.** There shall be no rent accelerations, assignment fees, increases or any other fees charged to the Purchaser or the Debtors solely as a result of the assumption and assignment of the Assigned Contracts. For the avoidance of doubt, nothing in this Sale Order shall establish any tax exemption under section 1146(a) of the Bankruptcy Code.

23. **Injunction.** Pursuant to Bankruptcy Code sections 105(a), 363, and 365, other than the right to payment of the Cure Amounts, if any, all Contract Counterparties are forever barred and permanently enjoined from raising or asserting against the Debtors or the Purchaser any assignment fee, default, breach or claim, or pecuniary loss arising under or related to the Assigned Contracts existing as of the Petition Date or any assignment fee or condition to assignment arising by reason of the Closing. Notwithstanding the foregoing, the Cure Amounts only relate to any prepetition amounts owed by the Debtors to the Contract Counterparties, and nothing herein shall affect the right of the Contract Counterparties to file or assert administrative expense claims

against the Debtors on account of any postpetition amounts due under the Assigned Contracts, and the right of the Debtors to contest or object to any such administrative expense claims is preserved.

24. **Contract Objections.** Except for a Contract Counterparty who files, or has filed, a timely objection to the Cure amount by **August 19, 2024, at 4:00 p.m. (prevailing Eastern Time)**, which objection shall be resolved in accordance with the procedures set forth in the Bid Procedures Order (a “**Contract Objection**”), such Contract Counterparty is and shall be deemed to be bound to such Cure Amount. Except for a Contract Counterparties who files, or has filed, a timely Contract Objection to the Debtors’ proposed assignment of such Assigned Contracts to the Purchaser, which objection shall be resolved in accordance with the procedures set forth in the Bid Procedures Order, such Contract Counterparty is and shall be deemed to be bound to the assumption and assignment, and the Purchaser shall be deemed to have demonstrated adequate assurance of future performance with respect to, such Assigned Contracts pursuant to Bankruptcy Code sections 365(b)(1)(C) and 365(f)(2)(B). With respect to any timely-filed Contract Objections, such objection shall be resolved in accordance with the procedures set forth in the Bid Procedures Order. The provisions of this Sale Order shall be effective and binding upon the Contract Counterparties to the extent set forth in, and in accordance with, such procedures. Nothing in this Sale Order, the Sale Motion, or in any notice or any other document is, or shall be, deemed an admission by the Debtors that any Assigned Contract is an executory contract or unexpired lease, or must be assumed and assigned pursuant to the Agreement in order to consummate the Sale.

25. **No Further Debtor Liability.** Except as provided in the Agreement or in 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 such Claims are forever barred and

estopped from asserting such Claims against the Debtors, their successors or assigns, their property, or the Debtors' estates.

26. **No Waiver of Rights.** The failure of the Debtors or the Purchaser to enforce, at any time on or prior to the closing of the Sale of the Salt Life Assets, one or more terms or conditions of any Assigned Contracts shall not be a waiver of any such terms or conditions, or of the Debtors' or the Purchaser's rights to enforce every term and condition of the Assigned Contracts.

Prohibition of Actions Against the Purchaser

27. **No Successor Liability.** Except for the Permitted Encumbrances and Assumed Liabilities set forth in the Agreement, or as otherwise expressly provided for in this Sale Order or the Agreement, the Purchaser shall not have any liability or other obligation of the Debtors arising under or related to any of the Salt Life Assets. Without limiting the generality of the foregoing, and except as otherwise expressly provided herein or in the Agreement, the Purchaser shall not be liable for any Claims against the Debtors or any of their predecessors or affiliates, and the Purchaser shall have no successor or vicarious liabilities of any kind or character, including, without limitation, under any theory of antitrust, environmental, successor, or transferee liability, labor law, *de facto* merger, mere continuation, or substantial continuity, whether known or unknown as of the Closing Date, now existing, or hereafter arising, whether fixed or contingent, whether asserted or unasserted, whether legal or equitable, whether liquidated or unliquidated, including, without limitation, liabilities on account of warranties, intercompany loans, receivables among the Debtors and their affiliates, environmental liabilities, and any taxes arising, accruing, or payable under, out of, in connection with, or in any way relating to the operation of any of the Salt Life Assets prior to the Closing.

28. Other than as expressly set forth in the Agreement, the Purchaser shall not have any responsibility for (a) any liability or other obligation of the Debtors or related to the Salt Life

Assets or (b) any claims against the Debtors or any of their predecessors or affiliates. Except as expressly provided in the Agreement, the Purchaser shall not have any liability whatsoever with respect to the Debtors' (or their predecessors' or affiliates') respective businesses or operations or any of the Debtors' (or their predecessors' or affiliates') obligations (as defined herein, "**Successor or Transferee Liability**") based, in whole or in part, directly or indirectly, on any theory of successor or vicarious liability of any kind or character, or based upon any theory of antitrust, environmental, successor, or transferee liability, de facto merger or substantial continuity, labor and employment or products liability, whether known or unknown as of the Closing, now existing or hereafter arising, asserted or unasserted, fixed or contingent, liquidated or unliquidated, including, without limitation, liabilities on account of (a) any taxes arising, accruing, or payable under, out of, in connection with, or in any way relating to the Salt Life Assets or the Assumed Liabilities prior to the Closing or in respect of pre-Closing periods or (b) any plan, agreement, practice, policy, or program, whether written or unwritten, providing for pension, retirement, health, welfare, compensation, or other employee benefits which is or has been sponsored, maintained, or contributed to by any Debtor or with respect to which any Debtor has any liability, whether or not contingent, including, without limitation, any "multiemployer plan" (as defined in Section 3(37) of ERISA) or "pension plan" (as defined in Section 3(2) of ERISA) to which any Debtor has at any time contributed, or had any obligation to contribute. Except to the extent expressly included in the Assumed Liabilities with respect to the Purchaser or as otherwise expressly set forth in the Agreement, the Purchaser shall not have any liability or obligation under any applicable law, including, without limitation, (a) the WARN Act, 29 U.S.C. §§ 2101 *et seq.*, (b) the Comprehensive Environmental Response Compensation and Liability Act, (c) the Age Discrimination and Employment Act of 1967 (as amended), (d) the Federal Rehabilitation Act of

1973 (as amended), (e) the National Labor Relations Act, 29 U.S.C. §§ 151 *et seq.*, or (f) any foreign, federal, state, or local labor, employment or environmental law, by virtue of the Purchaser's purchase of the Salt Life Assets (or in the case of the Designated Assets, the sale of the Designated Assets pursuant to the Agency Agreement), assumption of the Assumed Liabilities, or hiring of certain employees of the Debtors pursuant to the terms of the Agreement. Without limiting the foregoing, the Purchaser shall not have any liability or obligation with respect to any environmental liabilities of the Debtors or any environmental liabilities associated with the Salt Life Assets except to the extent they are Assumed Liabilities set forth in the Agreement.

29. **Actions Against the Purchaser Enjoined.** Except with respect to Permitted Encumbrances and Assumed Liabilities set forth in the Agreement, or as otherwise permitted by the Agreement or this Sale Order, all persons and entities, including, without limitation, all debt security holders, equity security holders, governmental, tax, and regulatory authorities, lenders, trade creditors, litigation claimants, and other creditors, holding Interests of any kind or nature whatsoever against, or in, all or any portion of the Salt Life Assets, arising under, out of, in connection with, or in any way relating to, the Debtors, the Salt Life Assets, the operation of the Debtors' business prior to the Closing Date, or the transfer of the Salt Life Assets to the Purchaser (or in the case of the Designated Assets, the customers who purchase such Designated Assets as part of the Agency Sale Transaction), hereby are forever barred, estopped, and permanently enjoined from asserting against the Purchaser, or any of its affiliates, successors, or assigns, or their property or the Salt Life Assets, such persons' or entities' Interests in and to the Salt Life Assets, including, without limitation, the following actions against the Purchaser or its affiliates, or their successors, assets, or properties: (a) commencing or continuing in any manner any action or other proceeding, whether in law or equity, in any judicial, administrative, arbitral, or other

proceeding; (b) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or other order; (c) creating, perfecting, or enforcing any Lien or other Claim; (d) asserting any set off that was not taken prepetition or right of subrogation of any kind; (e) commencing or continuing any action, in any manner or place, that does not comply or is inconsistent with the provisions of this Sale Order or other orders of this Court, or the agreements or actions contemplated or taken in respect thereof; or (f) to the extent provided in Bankruptcy Code section 525, revoking, terminating, or failing or refusing to transfer or renew any license, permit, or authorization to operate any of the Salt Life Assets or conduct any of the business operated with the Salt Life Assets.

Conduct of Sales of Designated Assets

30. Hilco shall be entitled to sell all Designated Assets and other assets free and clear of all Interests in or Liens thereon, whether arising by agreement, any statute, or otherwise and whether arising before, on, or after the date on which the Debtors' chapter 11 cases were commenced, with any presently existing liens encumbering all or any portion of the Designated Assets or the proceeds thereof attaching only to other amounts payable to the Debtors under the Agency Agreement (subject to Hilco's liens granted pursuant to the Agency Agreement and this Sale Order), with the same validity, force, and effect as the same had with respect to the assets at issue, subject to any and all defenses, claims, and/or counterclaims or setoffs that may exist. For the sake of clarity, however, nothing in this paragraph is intended to diminish the liens in favor of Hilco, as reflected in the Agency Agreement and this Sale Order, that attach to, among other things, the proceeds of Agency Sale Transaction.

31. If any entity that has filed financing statements, mortgages, mechanic's liens, lis pendens, or other documents or agreements evidencing Interests in or Liens against the Debtors or

the Designated Assets shall not have delivered to the Debtors prior to the Closing of the Agency Sale Transaction, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, or releases of all interests that the entity has with respect to the Debtors or the Designated Assets, such entity is hereby directed to deliver all such statements, instruments, and releases and, then: (i) the Debtors are hereby authorized to execute and file such statements, instruments, or releases on behalf of the entity with respect to the Designated Assets; and (ii) Hilco is hereby authorized to file, register, or otherwise record a certified copy of this Sale Order, which, once filed, registered, or otherwise recorded, shall constitute conclusive evidence of the release of all Interests in or Liens against the Designated Assets. This Sale Order is deemed to be in recordable form sufficient to be placed in the filing or recording system of each and every federal, state, or local government agency, department, or office is hereby authorized to accept any and all documents and instruments necessary or appropriate to give effect to the Agency Sale Transaction.

32. Hilco shall have the right to use the Stores (as defined in the Agency Agreement) and all related Store services, furniture, fixtures, equipment, and other assets of the Debtors, as applicable, as designated in the Agreement and the Agency Agreement for the purpose of conducting the Agency Sale Transaction, free of any interference from any entity or person, subject to compliance with the Sale Guidelines (as such Sale Guidelines may be modified by a Landlord Agreement (as defined herein) with a landlord of the Stores) and this Sale Order.

33. All entities that are presently in possession of some or all of the Designated Assets or other property in which the Debtors hold an interest that are or may be subject to the Agency Agreement hereby are directed to surrender possession of such Designated Assets or other property to the Debtors for sale by Hilco under the Agency Agreement.

34. Hilco is hereby granted a limited, non-exclusive license and right to use until the Sale Termination Date (as defined in the Agency Agreement) the trade names, logos, e-mail lists, customer lists, e-commerce sites, including, without limitation, websites and social media sites such as Facebook and Twitter, relating to and used in connection with the operation of the Stores (whether or not acquired by Purchaser) (collectively, the “**E-Commerce Sites**”) relating to and used in connection with the operation of the Stores (whether or not acquired by Purchaser), in accordance with the terms of the Agency Agreement.

35. Unless otherwise authorized by the Court, all newspapers and other advertising media in which a sale of Designated Assets is advertised shall be authorized to accept this Sale Order as binding authority and to allow the Debtors and Hilco to consummate the transactions provided for in the Agency Agreement, including, without limitation, the conducting and advertising of sales in the manner contemplated by the Agency Agreement, the Sale Guidelines (as may be modified by Landlord Agreement), and this Sale Order.

36. Except as expressly provided for herein, or in the Sale Guidelines (as may be modified by Landlord Agreement), all utilities, landlords, creditors, and other interested parties and all entities acting for or on their behalf shall not interfere with or otherwise impede the conduct of a sale of Designated Assets, or institute any action in any court (other than in the Court) with respect to Designated Assets or before any administrative body that in any way directly or indirectly interferes with or obstructs or impedes the conduct of a sale of Designated Assets.

37. Hilco and the landlord of any Store are authorized to enter into agreements modifying the Sale Guidelines (each a “**Landlord Agreement**”) without further order of the Court, and such Landlord Agreements shall be binding as among the Debtors, Hilco, and any such

landlords. In the event of any conflict between the Sale Guidelines, the Agency Agreement, any Landlord Agreement, and this Sale Order, the terms of such Landlord Agreement shall control.

38. Hilco, as agent for the Debtors and the Purchaser, is authorized to conduct, advertise, post signs, utilize signwalkers/drivers, and otherwise promote the Sales consistent with the Closing Store Advertising (which is defined as a “store closing,” “sale on everything,” “everything must go,” or similar sale, at the Stores) in accordance with this Sale Order, the Agency Agreement and the Sale Guidelines (as may be modified by a Landlord Agreement) and without further compliance with the Liquidation Sale Laws (as defined herein).

39. **Sale Term.** Consistent with the terms of the Agency Agreement, the Sale shall commence on the Closing Date (such date, the “**Sale Commencement Date**”). Hilco shall complete the Sale at each Store no later than December 31, 2024 (the “**Sale Termination Date**”, and the period from the Sale Commencement Date to the applicable Sale Termination Date as to each such Store being the “**Sale Term**”): provided, however, that Hilco shall complete the Sale at and vacate the two Stores for which leases were purchased by L&L Wings Inc., the premises located at 207 Main Street, Huntington Beach, California, and 157 Avenida Del Mar, San Clemente, California, no later than November 15, 2024. Notwithstanding the foregoing, Hilco, as agent under the Agency Agreement, may, in its discretion, terminate the Sale earlier on a Store-by-Store basis upon not less than five Business Days’ prior written notice (a “**Vacate Notice**”) to Merchant (the “**Vacate Date**”).

40. **Vacating the Stores.** At the conclusion of the Sale at each Store, Hilco shall leave each Store in “broom clean” condition, ordinary wear and tear excepted, except for unsold items of F&E and other assets or property of Debtors which may be abandoned in place in a neat and

orderly manner in accordance with the Sale Guidelines. Hilco's obligations to pay all Expenses for the Stores shall continue until the Vacate Date for each Store.

41. The Debtors, the Purchaser, and Hilco are authorized to take any and all actions deemed necessary or desirable to implement the Agency Agreement and each transaction contemplated therein.

42. Nothing in this Sale Order or the Agency Agreement shall (a) alter or affect the Debtors' obligations to comply with section 365(d)(3) of the Bankruptcy Code or (b) alter or modify the rights of any lessor or other counterparty to a lease with the Debtors to file an appropriate motion or otherwise seek appropriate relief if the Debtors fail to comply with section 365(d)(3) of the Bankruptcy Code; provided that the conduct of Sales in accordance with the Sale Guidelines, as may have been modified by a Landlord Agreement, shall not be a violation of section 365(d)(3) of the Bankruptcy Code.

43. Pursuant to section 554(a) of the Bankruptcy Code, the Debtors and Hilco, as applicable, are permitted to abandon unsold property of the Debtors' estates including, without limitation, Designated F&E, without any notice, cost, or liability to any entity in accordance with the Agency Agreement; provided, however, that, unless Hilco otherwise consents, the Debtors may only abandon property located in any Store (and, if applicable, the distribution center) on or after the applicable Sale Termination Date. In the event of any such abandonment, following the rejection of the lease for the affected Store, all applicable landlords shall be authorized to dispose of such property without any liability to any individual or entity that may claim an interest in such abandoned property, and such abandonment shall be without prejudice to any landlord's right to assert any claim based on such abandonment and without prejudice to the Debtors or other party in interest to object thereto.

44. Upon any sale, abandonment, or other disposition of the Debtors' computers (including, without limitation, software) and/or cash registers and any other point of sale F&E located at the Stores (collectively, "**POS Equipment**") that may contain customer lists, identifiable personal and/or confidential information about the Debtors' employees and/or customers, or credit card numbers ("**Confidential Information**") takes effect, Hilco, as agent under the Agency Agreement, shall remove or cause to be removed the Confidential Information from the POS Equipment.

45. During the first thirty (30) days of the Sale Term (the "**Redemption Period**"), in accordance with the Agency Agreement, Hilco shall accept the Debtors' gift certificates, gift cards, return credits, and similar merchandise credits issued by the Debtors. During the Redemption Period, Hilco shall accept returns of goods sold by the Debtors prior to the Sale Commencement Date, provided that such return is in compliance with the Debtors' return policies, as applicable, in effect immediately prior to the Sale Commencement Date. Except to the extent that the Debtors and Hilco agree that the Debtors' POS or other applicable systems can account for returns of goods, all returns must be noted and described in a mutually agreeable Returned Merchandise log on a weekly basis during the Sales.

46. During the Sale Term, Hilco shall be granted a limited license and right to use the trade names, logos and customer, mailing and e-mail lists, websites and social media relating to and used in connection with the operation of the Stores as identified in the Agency Agreement, solely for the purpose of advertising the Sales in accordance with the terms of the Agency Agreement; provided, however, that Hilco shall not receive Personally Identifiable Information from the Debtors or the Purchaser.

47. Except as expressly provided for in the Agency Agreement, nothing in this Sale Order or the Agency Agreement, and none of Hilco's actions taken in respect of the Sales shall be deemed to constitute an assumption by Hilco or Purchaser of any of the Debtors' obligations relating to any of the Debtors' employees. Moreover, Hilco or Purchaser shall not become liable under any collective bargaining or employment agreement or be deemed a joint or successor employer with respect to such employees.

48. Hilco or Purchaser shall not be liable for sales taxes except as expressly provided in the Agency Agreement and the payment of any and all sales taxes is the responsibility of the Debtors. The Debtors are authorized to remit all taxes arising from the Sales to the applicable Taxing Authorities as and when due, provided that in the case of a bona fide dispute the Debtors are only authorized to pay such taxes upon the resolution of the dispute, if and to the extent that the dispute is decided in favor of the Taxing Authority. For the avoidance of doubt, sales taxes collected and held in trust by the Debtors shall not be used to pay any creditor or any other party, other than the Taxing Authority for which the sales taxes are collected. Hilco shall collect, remit to the Debtors and account for sales taxes as and to the extent provided in the Agency Agreement. This Sale Order does not enjoin, suspend, or restrain the assessment, levy, or collection of any tax under State law, and does not constitute a declaratory judgment with respect to any party's liability for taxes under State law.

49. Subject to the terms set forth in the Agency Agreement, the Debtors or Hilco (as the case may be) are authorized and empowered to transfer Designated Assets among the Stores and the distribution center. Hilco is authorized to sell the Debtors' Designated F&E and abandon the same, in each case, as provided for and in accordance with the terms of the Agency Agreement and this Sale Order.

Liens Granted to Hilco

50. Pursuant to the Agency Agreement and section 364(d) of the Bankruptcy Code, the Debtors hereby grant to Hilco first priority, senior security interests in and liens upon: (i) the Designated Assets; (ii) all Proceeds (as defined in the Agency Agreement) (including, without limitation, credit card Proceeds); and (iii) all “proceeds” (within the meaning of Section 9-102(a)(64) of the UCC of each of the foregoing (all of which are collectively referred to herein as the “**Agent Collateral**”)). Subject to the preceding sentence, and only upon entry of this Sale Order, the security interests and liens granted to Hilco herein shall be deemed valid, binding, enforceable, and properly perfected as provided for in Section 15 of the Agency Agreement (without the necessity of filing UCC-1 financing statements or any other documentation).

51. In the event of an occurrence of an Event of Default (as such term is used in the Agency Agreement) other than by Hilco, in any jurisdiction where the enforcement of its rights hereunder is sought, Hilco shall have, in addition to all other rights and remedies, the rights and remedies of a secured party under the UCC.

52. Any amounts owed by the Debtors to Hilco under the Agency Agreement shall be granted the status of superpriority claims pursuant to section 364(c) of the Bankruptcy Code senior to all other superpriority claims. Without any further act by or on behalf of Hilco or any other entity, Hilco’s security interests in and liens upon the Agent Collateral created under this Sale Order and the Agency Agreement are (i) validly created, (ii) perfected, and (iii) senior to all other liens and security interests. The Debtors shall cooperate with Hilco with respect to all filings, including, without limitation, UCC-1 financing statements, and other actions to the extent reasonably requested by Hilco in connection with the security interests and liens granted under the Agency Agreement.

53. Subject to Hilco having satisfied all of Hilco's payment obligations under the Agency Agreement, any amounts owed by the Debtors to Hilco under the Agency Agreement shall be granted the status of administrative expense priority claims pursuant to section 507(a) of the Bankruptcy Code.

Dispute Resolution Procedures with Governmental Units.

54. Nothing in this Sale Order, the Agency Agreement, the Sale Guidelines, or any Landlord Agreement releases, nullifies, or enjoins the enforcement of any liability to any Governmental Unit (as defined in section 101(27) of the Bankruptcy Code) under environmental laws or regulations (or any associated liabilities for penalties, damages, cost recovery, or injunctive relief) that any entity would be subject to as the owner, lessor, lessee, or operator of the property after the date of entry of this Sale Order. Nothing contained in this Sale Order, the Agency Agreement, the Sale Guidelines, or any Landlord Agreement shall in any way (i) diminish the obligation of any entity to comply with environmental laws or (ii) diminish the obligations of the Debtors to comply with environmental laws consistent with their rights and obligations as debtors in possession under the Bankruptcy Code. Nothing herein shall be construed to be a determination that Hilco or Purchaser is an operator with respect to any environmental law or regulation. Moreover, sales of Designated Assets shall not be exempt from, and Hilco shall be required to comply with, laws of general applicability, including, without limitation, public health and safety, criminal, tax, (including, but not limited to, the collection of Sales Taxes), labor, employment, environmental, antitrust, fair competition, privacy, occupational health and safety, traffic and consumer protection laws, including consumer laws regulating deceptive practices and false advertising, consumer protection, the sale of gift certificates, layaway programs, return of goods, express or implied warranties of goods, and "weights and measures" regulation and monitoring

(collectively, “**Applicable General Laws**”). Nothing in this Sale Order, the Agency Agreement, the Sale Guidelines, or any Landlord Agreement shall alter or affect the Debtors’ and Hilco’s obligations to comply with all applicable federal safety laws and regulations. Nothing in this Sale Order shall be deemed to bar any Governmental Unit from enforcing Applicable General Laws in the applicable non-bankruptcy forum, subject to the Debtors’ or Hilco’s right to assert in that forum or before this Court that any such laws are not in fact Applicable General Laws or that such enforcement is impermissible under the Bankruptcy Code or this Sale Order. Notwithstanding any other provision in this Sale Order, no party waives any rights to argue any position with respect to whether the conduct was in compliance with this Sale Order and any applicable law, or that enforcement of such applicable law is preempted by the Bankruptcy Code. Nothing in this Sale Order shall be deemed to have made any rulings on any such issues.

55. To the extent that the sale of Designated Assets is subject to any Liquidation Sale Laws (as defined below), including any federal, state or local statute, ordinance, rule, or licensing requirement directed at regulating “going out of business,” “store closing,” or similar inventory liquidation sales, or bulk sale laws, laws restricting safe, professional and non-deceptive, customary advertising such as signs, banners, signage, and use of sign-walkers solely in connection with the sale of the Designated Assets, including ordinances establishing license or permit requirements, waiting periods, time limits or bulk sale restrictions that would otherwise apply solely to the sale of the Designated Assets, the dispute resolution procedures in this section (the “**Dispute Resolution Procedures**”) shall apply and the Dispute Resolution Procedures shall control over any Landlord Agreements:

- a. Provided that the Agency Sale Transaction is conducted in accordance with this Sale Order and the Sale Guidelines, the Debtors, Hilco, and the Debtors’ landlords, shall be deemed to be in compliance with any requirements of all county, parish, or municipal or other local government (hereinafter referred to

as “**Local**”) and State requirements governing the conduct of the Sales of the Designated Assets, including but not limited to Local statutes, regulation and ordinances establishing licensing or permitting requirements, waiting periods or time limits, or bulk sale restrictions that would otherwise apply to the Agency Sale Transaction and sales of the Designated Assets (collectively, the “**Liquidation Sale Laws**”) of any state or Local Governmental Unit (as defined in Bankruptcy Code section 101(27)); provided, that the term “Liquidation Sale Laws” shall be deemed not to include any public health or safety laws of any state (collectively, “**Safety Laws**”), and the Debtors and Hilco shall continue to be required to comply, as applicable, with such Safety Laws and Applicable General Laws, subject to any applicable provision of the Bankruptcy Code and federal law, and nothing in this Sale Order shall be deemed to bar Governmental Units or public officials from enforcing Safety Laws or Applicable General Laws.

- b. Within three (3) business days after entry of this Sale Order, the Debtors will serve by first-class mail, copies of this Sale Order, the Agency Agreement, and the Sale Guidelines on the following: (a) the Attorney General’s office for each state where the Agency Sale Transaction is being held; (b) the county consumer protection agency or similar agency for each county where the Agency Sale Transaction is being held; (c) the division of consumer protection for each state where the Agency Sale Transaction is being held; and (d) the landlords for the Stores (collectively, the “**Dispute Notice Parties**”).

- c. To the extent that there is a dispute arising from or relating to the Agency Sale Transaction, this Sale Order, the Agency Agreement, or the Sale Guidelines, which dispute relates to any Liquidation Sale Laws (a “**Reserved Dispute**”), the Court shall retain exclusive jurisdiction to resolve the Reserved Dispute. Within ten (10) business days following entry of this Sale Order, any Governmental Unit may assert that a Reserved Dispute exists by sending a notice (the “**Dispute Notice**”) explaining the nature of the dispute to: (a) counsel for the Debtors, Polsinelli PC, 600 Third Avenue, 42nd Floor, New York, New York 10016, Attn: Jeremy R. Johnson (Jeremy.johnson@polsinelli.com), Polsinelli PC, 150 N. Riverside Plaza, Suite 3000, Chicago, Illinois 60606, Attn: Jerry L. Switzer, Jr. (jswitzer@polsinelli.com) and Polsinelli PC, 222 Delaware Avenue, Suite 1101, Wilmington, Delaware 19801, Attn: Christopher A. Ward (cward@polsinelli.com); (b) counsel to Hilco Merchant Resources, LLC, Chipman Brown Cicero & Cole, LLP, Attn: Mark L. Desgrosseilliers (desgross@chipmanbrown.com); (c) counsel for the DIP Agent, Otterbourg P.C., 230 Park Avenue, New York, New York 10169, Attn: Daniel F. Fiorillo (dfiorillo@otterbourg.com) and Burr & Forman, 222 Delaware Avenue, Suite 1030, Wilmington, Delaware 19801, Attn: J. Cory Falgowski; (d) counsel for the Creditors’ Committee, Shumaker, Loop & Kendrick, LLP, 101 South Tryon Street, Suite 2200, Charlotte, NC 28280, Attn: David H. Conaway (dconaway@shumaker.com), and Potter Anderson & Corroon LLP, Hercules Plaza, 1313 North Market Street, 6th Floor, Wilmington, DE 19801, Attn:

Christopher M. Samis (csamis@potteranderson.com); and (e) the affected landlord and their counsel of record (if known). If the Debtors and the Governmental Unit are unable to resolve the Reserved Dispute within fifteen (15) days after service of the notice, the Governmental Unit may file a motion with the Court requesting that this Court resolve the Reserved Dispute (a “**Dispute Resolution Motion**”).

- d. In the event that a Dispute Resolution Motion is filed, nothing in this Sale Order shall preclude the Debtors, a landlord, or any other interested party from asserting (A) that the provisions of any Liquidation Sale Laws are preempted by the Bankruptcy Code, or (B) that neither the terms of this Sale Order nor the conduct of the Debtors pursuant to this Sale Order, violates such Liquidation Sale Laws. Filing a Dispute Resolution Motion as set forth herein shall not be deemed to affect the finality of this Sale Order or to limit or interfere with the Debtors’ or Hilco’s ability to conduct or to continue to conduct the Agency Sale Transaction pursuant to this Sale Order, as applicable, absent further order of the Court. Upon the entry of this Sale Order, the Court grants authority for the Debtors and Hilco to conduct the Agency Sale Transaction pursuant to the terms of this Sale Order, the Agency Agreement, and the Sale Guidelines (as may be modified by Landlord Agreements) and to take all actions reasonably related thereto or arising in connection therewith. The Governmental Unit will be entitled to assert any jurisdictional, procedural, or substantive arguments it wishes with respect to the requirements of its Liquidation Sale Laws or the lack of any preemption of such Liquidation Sale Laws by the Bankruptcy Code. Nothing in this Sale Order will constitute a ruling with respect to any issues to be raised in any Dispute Resolution Motion.
- e. If, at any time, a dispute arises between the Debtors and/or Hilco and a Governmental Unit as to whether a particular law is a Liquidation Sale Law, and subject to any provisions contained in this Sale Order related to the Liquidation Sale Laws, then any party to that dispute may utilize the provisions of subparagraphs (c) and (d) above by serving a notice to the other party and proceeding thereunder in accordance with those paragraphs. Any determination with respect to whether a particular law is a Liquidation Sale Law shall be made de novo.

56. Subject to paragraphs 54 and 55 above, each and every federal, state, or Local agency, departmental, or Governmental Unit with regulatory authority over the Agency Sale Transaction and all newspapers and other advertising media in which the Agency Sale Transaction is advertised shall consider this Sale Order as binding authority that no further approval, license, or permit of any Governmental Unit shall be required, nor shall the Debtors or Hilco be required to post any bond, to conduct the Agency Sale Transaction.

57. Provided that the Agency Sale Transaction is conducted in accordance with the terms of this Sale Order, the Agency Agreement, and the Sale Guidelines (as may be modified by Landlord Agreements) and in light of the provisions in the laws that exempt court-ordered sales from their provisions, the Debtors and Agent shall be presumed to be in compliance with any Liquidation Sale Laws and are authorized to conduct the Agency Sale Transaction in accordance with the terms of this Sale Order and the Sale Guidelines (as may be modified by Landlord Agreements) without the necessity of further showing compliance with any such Liquidation Sale Laws.

Other Provisions

58. **Application of Net Proceeds.** In accordance with the *Interim Order Authorizing Debtors to Obtain Interim Post-Petition Financing and Grant Security Interests and Superpriority Administrative Expense Status Pursuant to 11 U.S.C. §§ 105, 364(c) and 364(d); (B) Modifying the Automatic Stay Pursuant to 11 U.S.C. § 362; and (C) Scheduling a Final Hearing Pursuant to Bankruptcy Rule 4001* [Dkt. No. 55], together with the final order entered by this Court approving the relief set forth therein on a final basis (the “**DIP Financing Order**”) and the DIP Credit Agreement (as defined in the DIP Financing Order), and notwithstanding anything else to the contrary set forth herein, all cash proceeds of the Sale payable to the Debtors shall be remitted to DIP Agent (as defined in the DIP Financing Order) for application against the Obligations (as defined in the DIP Credit Agreement), net of certain payments and expenses arising from the Sale to be paid with such Sale proceeds to the extent such payments and expenses are approved by DIP Agent in writing.

59. **Licenses.** To the maximum extent permitted by applicable law, and in accordance with the Agreement, the Purchaser shall be authorized, as of the Closing, to operate under any license, permit, registration, and governmental authorization or approval (collectively, the

“**Licenses**”) of the Debtors with respect to the Salt Life Assets; provided, however, that, for the avoidance of doubt, as the Debtors shall retain title to the Designated Assets and shall remain the tenant under the leases for the Stores during the pendency of the Agency Sale Transaction, the Debtors and Hilco shall be authorized to continue to operate under such Licenses. To the extent the Purchaser cannot operate under any Licenses in accordance with the previous sentence, such Licenses shall be in effect while the Purchaser, with assistance from the Debtors, works promptly and diligently to apply for and secure all necessary government approvals for new issuance of Licenses to the Purchaser. The Debtors shall, at Purchaser’s sole cost, maintain the Licenses in good standing to the fullest extent allowed by applicable law for the Purchaser’s benefit until equivalent new Licenses are issued to the Purchaser.

60. **Effective Immediately.** For cause shown, pursuant to Bankruptcy Rules 6004(h), 6006(d), and 7062(g), this Sale Order shall not be stayed and shall be effective immediately upon entry, and the Debtors, the Purchaser, and Hilco are authorized to close and consummate the Sale and the Agency Sale Transaction immediately upon entry of this Sale Order. The Debtors, Hilco, and the Purchaser may consummate the Agreement and the Agency Agreement at any time after entry of this Sale Order by waiving any and all closing conditions set forth in the Agreement and the Agency Agreement that have not been satisfied and by proceeding to close the Sale and the Agency Sale Transaction without any notice to the Court, any pre-petition or post-petition creditor of the Debtors, and/or any other party in interest.

61. **Access to Books and Records.** Following the Closing of the Sale and the Agency Sale Transaction, the Debtors shall have, and the Purchaser shall provide, reasonable access to their books and records, to the extent they are included in the Salt Life Assets transferred to the

Purchaser as part of the Sale as set forth in the Agreement (or in the case of the Designated Assets, to be sold pursuant to the Agency Agreement).

62. **Bulk Sales Law.** No bulk sales law or any similar law of any state or other jurisdiction applies in any way to the Sale or the Agency Sale Transaction.

63. **Agreements Authorized in Their Entirety.** The failure specifically to include any particular provision of the Agreement or the Agency Agreement in this Sale Order shall not diminish or impair the effectiveness of such provision, it being the intent of this Court that the Debtors are authorized to enter into and consummate the Agreement and the Agency Agreement in their entirety.

64. **Further Assurances.** From time to time, as and when requested, all parties shall execute and deliver, or cause to be executed and delivered, all such documents and instruments and shall take, or cause to be taken, all such further or other actions as the requesting party may reasonably deem necessary or desirable to consummate the Sale and the Agency Sale Transaction, including such actions as may be necessary to vest, perfect, or confirm or record or otherwise in the Purchaser its right, title, and interest in and to the Salt Life Assets (or in the case of the Designated Assets, the customers who purchase such Designated Assets as part of the Agency Sale Transaction).

65. **Modifications to Agreement.** The Agreement and any related agreements, documents or other instruments, including but not limited to the Agency Agreement, may be modified, amended, or supplemented by the parties thereto and in accordance with the terms thereof, in a writing signed by such parties, without further order of this Court, provided any such modification, amendment, or supplement does not have a material adverse effect on the Debtors' estates or third parties.

66. **Standing.** The transactions authorized herein shall be of full force and effect, regardless of any Debtors' lack of good standing in any jurisdiction in which such Debtor is formed or authorized to transact business.

67. **Authorization to Effect Order.** The Debtors are authorized to take all actions necessary to effect the relief granted pursuant to this Sale Order.

68. **Automatic Stay.** The automatic stay pursuant to Bankruptcy Code section 362 is hereby modified, lifted, and annulled with respect to the Debtors, Hilco, and the Purchaser to the extent necessary, without further order of this Court, to (a) allow the Purchaser or Hilco to deliver any notice provided for in the Agreement or the Agency Agreement, as applicable, and (b) allow the Purchaser or Hilco to take any and all actions permitted under the Agreement or the Agency Agreement, as applicable, in accordance with the terms and conditions thereof. Neither the Purchaser nor Hilco shall be required to seek or obtain relief from the automatic stay under section 362 of the Bankruptcy Code to enforce any of its remedies under the Agreement, the Agency Agreement, or any other Sale-related document. The automatic stay imposed by section 362 of the Bankruptcy Code is modified solely to the extent necessary to implement the preceding sentence, *provided, however*, that this Court shall retain jurisdiction over any and all disputes with respect thereto.

69. **No Other Bids; Backup Bidder.** No further bids or offers for the Salt Life Assets shall be considered or accepted by the Debtors after the date hereof unless the Sale to the Purchaser is not consummated or otherwise does not occur in accordance with the Agreement or its related documents. In connection therewith, FCM Saltwater Holdings, Inc. ("**FCM**") is approved as the Backup Bidder in connection with the Sale of the Salt Life Assets, and FCM's Backup Bid as

announced during the Auction and set forth in the Notice of Successful Bidders and Backup Bidders filed on August 28, 2024 [Docket No. 258] is approved.

70. **Name of Debtors.** Except as permitted in the Agreement, neither the Debtors nor any of their affiliates shall use, license, or permit any third party to use any name, slogan, logo or trademark which is confusingly or deceptively similar to any of the names, trademarks or service marks included in the Intellectual Property in the Salt Life Assets, and each applicable Debtor is authorized to change its corporate name to a name which (i) does not use the name “Salt Life” or any other name that references or reflects any of the foregoing in any manner whatsoever, (ii) is otherwise substantially dissimilar to its present name, and (iii) is approved in writing by the Purchaser. Within two (2) Business Days of the occurrence of the Closing of the Sale, the Debtors shall file and serve a notice of same (the “**Notice of Sale Closing and Effective Date of Amendment to Case Caption**”) and upon the filing of such notice, the Debtors’ caption shall be amended as follows:

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

In re:

SL BEVERAGE LIQUIDATION, LLC, *et al.*,⁴

Debtors.

Chapter 11

Case No. 24-11468 (LSS)

Jointly Administered

⁴ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are SL Beverage Liquidation, LLC, a Delaware limited liability company (8436), Delta Apparel, Inc., a Georgia corporation (8794), SL Liquidation, LLC, a Georgia limited liability company (6136), MJS Liquidation, LLC, a North Carolina limited liability company (2056), Culver City Clothing Company, a Georgia corporation (4619), DTG2Go, LLC, a Georgia limited liability company (6498), and SL Beverage Management Liquidation, LLC, a Delaware limited liability company (7886). The location of the Debtors’ headquarters and mailing address is 2750 Premiere Parkway, Suite 100, Duluth, Georgia 30097.

Upon the filing of the Notice of Sale Closing and Effective Date of Amendment of Case Caption, the Clerk of the Court is authorized and directed to make a docket entry in Case Nos. 24-11469, 24-11470, 24-11471, 24-11472, 24-11473, and 24-11474, consistent with the foregoing Paragraph of this Sale Order.

71. **Order to Govern.** To the extent this Sale Order is inconsistent with the Bid Procedures Order, the terms of this Sale Order shall govern. To the extent there are any inconsistencies between the terms of this Sale Order and the Agreement or the Agency Agreement (including all ancillary documents executed in connection therewith), the terms of this Sale Order shall govern.

72. **Standing.** The Purchaser and Hilco have standing to seek to enforce the terms of this Sale Order.

73. **Statutory Mootness.** Entry into the Agency Agreement and the transactions contemplated thereunder are undertaken by Hilco in good faith, as that term is used in section 364(e) of the Bankruptcy Code, and, accordingly, the reversal or modification on appeal of the authorization provided herein of the Agency Agreement and the Agency Sale Transaction shall not affect the validity of the debt incurred under the Agency Agreement or the priority and liens so granted therein and herein, absent entry of a Court order imposing a stay before the closing pending such appeal. Entry into the Agreement and the transactions contemplated thereunder are undertaken by the Purchaser in good faith, as that term is used in section 363(m) of the Bankruptcy Code, and, accordingly, the reversal or modification on appeal of the sale authorized by the Agreement shall not affect the validity of the debt incurred under the Agency Agreement or the priority and liens so granted therein and herein, absent entry of a Court order imposing a stay before the Closing pending such appeal.

74. **Retention of Jurisdiction.** This Court shall retain jurisdiction with respect to the terms and provisions of this Sale Order, the Agreement, and the Agency Agreement.

Dated: September 16th, 2024
Wilmington, Delaware


LAURIE SELBER SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

(Assigned Contracts/Cure Amounts)

#	Debtor	Counterparty Name	Type	Schedule or Lease Number	Description	Cure Amount (\$)	Proposed Potential Assignee (if any)
1	Salt Life, LLC	Magnussen Home Furnishings, Inc.	License Agreement - Trademark		Licensed articles include home furnishings and home articles.	\$0.00	Iconix/Hiko
2	Salt Life, LLC	Southern Graphic Systems, LLC / Tervis Tumbler Company	License Agreement - IP		High resolution printed decorative wraps for use.	\$0.00	Iconix/Hiko
3	Salt Life, LLC	Tervis Tumbler Company	License Agreement - IP		Extension	\$13,104.37	Iconix/Hiko
4	Salt Life, LLC	Salt Life Restaurant Group, LLC	License Agreement - Trademark		Salt Life Food Shack Trademark	\$0.00	Iconix/Hiko

Exhibit A

(Asset Purchase Agreement)

ASSET PURCHASE AGREEMENT

by and between

Iconix International, Inc.

and

Hilco Merchant Resources, LLC

as purchasers

and

Delta Apparel, Inc.,

and

Salt Life, LLC

as sellers

September __, 2024

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ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this “Agreement”), dated as of September __, 2024 (the “Execution Date”), by, between and among, Iconix International, Inc., a Delaware corporation, or its designee (“Iconix”) and Hilco Merchant Resources, LLC, a Delaware limited liability company, or its designee (“Hilco” and together with Iconix, the “Buyer”), as purchasers, and Delta Apparel, Inc., a Georgia corporation (“Delta Apparel”), and Salt Life, LLC, a Georgia limited liability company (“Salt Life” and together with Delta Apparel, as debtors-in-possession, “Sellers” and each, a “Seller”), as sellers. Buyer and Sellers are referred to individually as a “Party” and collectively as the “Parties”.

RECITALS

A. Sellers are generally engaged in the marketing, sourcing, licensing, and sale of Salt Life® branded products through wholesale, ecommerce, and retail (collectively, the “Business”).

B. On July 1, 2024 (the “Petition Date”), Sellers commenced voluntary cases under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. (the “Bankruptcy Code”), in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”), which cases are jointly administered for procedural purposes under Case No. 24-11468 (collectively, the “Bankruptcy Cases”).

C. Following consultation with their financial advisors and consideration of available alternatives and in light of their current circumstances, Sellers have determined that a sale of certain of Sellers’ assets related to the Business, as provided in this Agreement, is necessary to preserve and maximize value, and is in the best interest of Sellers, their respective creditors, and other stakeholders.

D. Sellers desire to sell, grant, assign, and transfer to Buyer, and Buyer desires to purchase, acquire, and assume from Sellers, the Purchased Assets and Assumed Liabilities and the Parties desire to (i) designate for sale by Hilco the Inventory (as defined below) and certain other of the Purchased Assets pursuant to a store closing sale conducted in accordance with the Agency Agreement executed as of the date hereof between Hilco and the Sellers (the “Agency Agreement”), (ii) designate the purchase, acquisition and assumption from Sellers by one or more designated purchasers of some or all of the Purchased Assets, and (iii) consummate such other transactions as are contemplated by this Agreement, together with all ancillary agreements and exhibits hereto, with all such transactions and agreements referred to as the “Transactions.”

E. The Parties intend to effectuate the transactions contemplated hereunder in a sale authorized by the Bankruptcy Court pursuant to sections 105, 363 and 365 of the Bankruptcy Code and other applicable provisions of the Bankruptcy Code and the Bankruptcy Rules, all on the terms and subject to the conditions set forth in this Agreement and subject to the entry and terms of the Sale Order in the Bankruptcy Cases.

F. Concurrently with the execution and delivery of this Agreement or such later time as mutually agreed by the Parties, Iconix, the Sellers and the Escrow Agent will enter into the Escrow Agreement, pursuant to which the Escrow Agent will hold the Good Faith Deposit and the Purchase Price Adjustment Escrow Amount in accordance with the terms of the Escrow Agreement and this Agreement.

G. The Parties desire to consummate the proposed transactions set forth in this Agreement as promptly as practicable after the Bankruptcy Court enters the Sale Order.

...

AGREEMENT

The Parties, intending to be legally bound, hereby agree as follows:

ARTICLE I DEFINITIONS

Set forth on Annex A are the definitions of certain capitalized terms used in this Agreement, as well as cross-references to the applicable portions of this Agreement where certain other capitalized terms are defined.

ARTICLE II SALE AND PURCHASE

2.1 Assets and Liabilities.

(a) Designated Assets. Upon the terms and subject to the conditions of this Agreement and the Sale Order, at and as of the Effective Time, pursuant to sections 105 and 363 of the Bankruptcy Code, the Parties hereby designate Hilco to serve as their exclusive agent for purposes of conducting the Sale (as defined in the Agency Agreement) and selling, transferring, pursuing or otherwise disposing of the Designated Assets, free and clear of all Liabilities and Encumbrances, subject to and in accordance with the terms and conditions of this Agreement and the Agency Agreement. "Designated Assets" means the following:

- (i) all Inventory of Sellers in the Stores and Inventory received at the Distribution Center no later than thirty (30) days after the Closing Date (provided that the sale of Inventory shall be subject to and in accordance with the terms of the Agency Agreement); and
- (ii) all Furnishings and Equipemnt owned by the Sellers and located at (or in the vicinity of) the Stores, Distribution Center and corporate offices in Columbus, Georgia.

(b) Purchased Assets. Pursuant to sections 105, 363 and 365 of the Bankruptcy Code, on the terms and subject to the conditions set forth in this Agreement and in the Sale Order, at the Closing each Seller shall sell, convey, grant, assign, transfer, and deliver to Buyer, and Buyer (or its designee) shall purchase and acquire from such Seller, free and clear of all Encumbrances and other interests to the maximum extent permitted by Section 363 of the Bankruptcy Code and as provided in the Sale Order, all of such Seller's right, title, and interest in, to, and under all of those Assets listed and allocated among Iconix and Hilco on Annex B, except for the Designated Assets (collectively, the "Purchased Assets"). Title to the Designated Assets shall pass to customers under the Agency Agreement upon sale thereto. At the conclusion of the Sale Term (as defined in the Agency Agreement), the Sellers shall be deemed to transfer title to all Designated Assets that remains unsold (the "Unsold Designated Assets") to Hilco pursuant to the Unsold Designated Assets Bill of Sale. Pursuant to Section 363(f) of the Bankruptcy Code, the transfer of the Purchased Assets and the Designated Assets shall be free and clear (except for Permitted Post-Closing Encumbrances and the Assumed Liabilities) of any and all liens (as defined in Section

101(37) of the Bankruptcy Code), claims (as defined in Section 101(5) of the Bankruptcy Code, including claims for successor liability under any Legal Requirement or theory of equity), interests, and Encumbrances, either asserted or unasserted, known or unknown, filed or unfiled, liquidated or to be liquidated, determined or to be determined, and whether arising prior to or subsequent to the Petition Date.

(c) Notwithstanding anything in this Agreement to the contrary, except for the Purchased Assets and the Designated Assets, no other Assets of Sellers are part of the Transactions, and are excluded from the Purchased Assets and will remain the property of the applicable Seller's estate immediately after the Closing (collectively, "Excluded Assets"). Without limiting the foregoing, in no event shall Sellers be deemed to sell, transfer, assign or convey, and each applicable Seller shall retain all of its right, title and interest to, in and under, those certain Excluded Assets set forth on Annex C.

(d) Buyer will not assume any Liabilities of any Seller, any of Sellers' respective Affiliates, or the Business whatsoever other than (i) the expenses that are payable by Seller and necessary to conduct the store closing sale pursuant to the terms of the Agency Agreement, (ii) such Seller's executory performance obligations under those Seller Contracts, listed on Annex D that are assumed by the applicable Seller or Sellers and assigned to Buyer (or its designee) in accordance with the terms of this Agreement and the Sale Order or other Order of the Bankruptcy Court (collectively, the "Assigned Contracts") and, in each case, to the extent, and only to the extent, any such executory performance obligation with respect to any such Assigned Contract relates solely to periods after the Closing and is to be performed in the Ordinary Course under such Assigned Contract, and specifically excluding all Liabilities with respect to any such Assigned Contract related to any (A) breach, default, or violation by any Seller under any such Assigned Contract that occurred prior to or in connection with the Closing, or (B) breach of warranty, product liability, product recall, product warning, tort, infringement, or violation of Legal Requirement by any Seller that occurred prior to or in connection with the Closing, (ii) Cure Costs (subject to the provisions of Section 2.1(e)), and (iii) such other Liabilities set forth on Annex E (clauses (i), (ii), and (iii), collectively, the "Assumed Liabilities").

(e) Annex D sets forth the claimed Cure Costs applicable to each Assigned Contract. Sellers shall use commercially reasonable efforts to verify that Annex D completely and accurately sets forth the Cure Costs applicable to each Assigned Contract. Subject to the provisions of Section 2.1(e), Buyer shall be solely responsible for the payment of all Accepted Cure Costs for any contracts Buyer determines to deem Assigned Contracts. Accepted Cure Costs will be paid at Closing to the Assigned Contract counterparties to whom they are owed. Disputed Cure Costs will not be paid unless and until they become Accepted Cure Costs following the Closing, through Buyer's acceptance of the claimed Cure Cost amount or pursuant to an Order of the Bankruptcy Court that is satisfactory to Buyer. Any Disputed Cure Costs that become Accepted Cure Costs following the Closing shall be paid promptly by Buyer. During the Executory Period, Sellers shall pay all amounts coming due under the Contracts listed on Annex D in the Ordinary Course, to prevent any increase in the Cure Costs owed in connection with the assumption and assignment of each Assigned Contract, and shall use commercially reasonable efforts to resolve any and all non-monetary defaults and breaches under the Assigned Contracts not resolved through the payment of Cure Costs so that the Assigned Contracts may be assumed by the applicable Seller and assigned to Buyer in accordance with the provisions of Section 365 of the Bankruptcy Code and this Agreement. To the extent, if any, that a counterparty to a Contract that is included on Annex D asserts that such Contract may not

be assumed and assigned under Section 365 of the Bankruptcy Code without its consent, Sellers and Buyer shall use their respective commercially reasonable efforts prior to Closing to seek approval from the Bankruptcy Court of the assumption and assignment of such Contract over the objection of such counterparty. Notwithstanding the foregoing, if the Bankruptcy Court does not approve the assumption and assignment of a Contract, or any Disputed Cure Costs associated with a Contract are not resolved by agreement of Buyer and the counterparty to such Contract or through an Order of the Bankruptcy Court allowing Cure Costs in an amount that is acceptable to Buyer, then such Contract shall be deemed removed from Annex D without further action by Buyer and will not be an Assigned Contract, and no Cure Costs associated with such Contract shall be paid.

(f) Notwithstanding anything in this Agreement to the contrary, should the aggregate amount of Accepted Cure Costs associated with the Assigned Contracts on Annex D exceed \$200,000, Buyer may, in its discretion prior to Closing remove Assigned Contracts from Annex D until the aggregate Cure Costs are acceptable to Buyer.

(g) Notwithstanding anything in this Agreement to the contrary, except for the Assumed Liabilities, Buyer will not assume or be responsible to pay, perform, or discharge any Liabilities of any Seller, any of Sellers' respective Affiliates, or the Business whatsoever (collectively, the "Excluded Liabilities"). Without limiting the foregoing, the term Excluded Liabilities specifically includes those certain Liabilities set forth on Annex E. Sellers and their respective Affiliates will remain solely responsible for all of the Excluded Liabilities.

2.2 Purchase Price. The aggregate purchase price for the Purchased Assets (the "Purchase Price") is a dollar amount equal to (i) the Base Cash Price, plus (ii) the assumption of the Assumed Liabilities, in each case, as applicable, as adjusted pursuant to this Agreement, including Section 2.5 and ARTICLE VIII. The Purchase Price shall be paid as follows:

(a) As agreed with the Debtors' counsel, Iconix on behalf of itself and Hilco (Hilco agrees to reimburse Iconix for its pro rata share) has deposited an amount equal to Three Million Two Hundred Fifty Thousand Dollars (\$3,874,000) (the "Good Faith Deposit") with the Escrow Agent prior to the date hereof. The Good Faith Deposit will be held by the Escrow Agent in a segregated interest-bearing account pursuant to the terms of the Escrow Agreement and this Agreement. Subject to the Sale Order, the Parties acknowledge and agree that the Good Faith Deposit shall be disbursed as follows: (i) if the Closing occurs, then the Good Faith Deposit shall be applied against the Purchase Price and delivered to Sellers by the Escrow Agent at Closing by wire transfer of immediately available funds to the Purchase Price Bank Account; (ii) if, and only if, this Agreement is terminated under Section 9.1(c) after the Good Faith Deposit is delivered to the Escrow Agent, then the Good Faith Deposit shall be delivered to Sellers in accordance with Section 9.2(b) of this Agreement; or (iii) if this Agreement is terminated for any reason other than by Sellers pursuant to Section 9.1(c), then the Good Faith Deposit shall be returned to Buyer in accordance with Section 9.2(c) of this Agreement.

(b) At the Closing, Buyer shall (i) pay to Sellers, an amount equal to the Estimated Closing Cash Consideration by wire transfer of immediately available funds to the Purchase Price Bank Account, (ii) pay to the applicable Assigned Contract counterparties to whom Accepted Cure Costs are owed, if any, an amount equal to the applicable portion of the Accepted Cure Costs by wire transfer of immediately available funds to the accounts designated in writing by such Assigned Contract counterparties; and (iii) deposit with the

Escrow Agent an amount equal to the Purchase Price Adjustment Escrow Amount to be held by the Escrow Agent in a segregated interest-bearing account pursuant to the terms of the Escrow Agreement and this Agreement.

(c) The Parties agree that the Transactions constitute an “applicable asset acquisition” within the meaning of Section 1060 of the Code. Accordingly, the Parties agree to report the Transactions on Form 8594, and for any other required purposes, in a consistent manner. Promptly after the Closing Date, but in no event more than 45 days after the Closing Date, Buyer shall provide Sellers with an allocation schedule (the “Allocation Schedule”), which allocates the purchase price (as determined for Tax purposes) among the Purchased Assets in accordance with and as provided by Section 1060 of the Code and the Treasury Regulations promulgated thereunder (and any similar provision of state or local Legal Requirements, as applicable) and the methodology set forth on Annex H (the “Allocation Methodology”). If, prior to the Objection Deadline, Sellers have not given Buyer an Objection Notice with respect to the Allocation Schedule, then the Allocation Schedule will be deemed final, binding, and conclusive on the Parties for all purposes under this Agreement and not subject to further dispute or challenge. If, prior to the Objection Deadline, Sellers have given Buyer an Objection Notice with respect to the Allocation Schedule, then Buyer and Sellers shall resolve such dispute in a manner consistent, *mutatis mutandis*, with the review and dispute procedures set forth in Section 2.5(d). No Party shall take a position on any Tax Return or other Tax Filing or in any Proceeding before any Governmental Authority with regard to the determination or collection of any Tax that is in any manner inconsistent with the Allocation Schedule, as finally determined in accordance with this Section 2.2(c).

2.3 Closing. Subject to the terms of this Agreement, the Parties shall consummate the Transactions (the “Closing”, including payment of the Estimated Closing Cash Consideration by Buyer (as allocated and agreed among Iconix and Hilco), no earlier than three days after the entry of the Sale Order, and the Parties shall, and shall cause their respective Representatives to, conduct the Closing remotely through the exchange of Transaction Documents and signatures thereto by facsimile, electronic mail, or other means of electronic transmission (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com or www.simplyagree.com), or by such other method, at such other time, on such other date, or at such other place as the Parties mutually agree upon in writing, effective as of 11:59:59 p.m. (Eastern Time) (the “Effective Time”) on the Closing Date. All Transactions that will occur on and as of the Closing Date will be deemed to have occurred simultaneously as of the Effective Time.

2.4 Closing Obligations. In addition to any other documents to be delivered under, or actions to be taken pursuant to, other provisions of this Agreement or the Sale Order, at or in anticipation of the Closing:

- (a) Sellers shall deliver, or cause to be delivered, to Buyer the following (collectively, the “Seller Closing Documents”):
 - (i) with respect to the Purchased Assets, one or more bills of sale substantially in the form of Exhibit A (the “Bill of Sale”), duly executed by Sellers;
 - (ii) with respect to the Unsold Designated Assets, one or more bills of sale substantially in the form of Exhibit E (the “Unsold Designated Assets Bill of Sale”), duly executed by Sellers;

- (iii) with respect to each Assigned Contract, an assumption and assignment agreement substantially in the form of Exhibit B (the “Contract Assumption and Assignment Agreement”), duly executed by Sellers;
 - (iv) with respect to the Seller IP Rights included in the Purchased Assets, an assignment of intellectual property substantially in the form of Exhibit C (the “IP Assignment Agreement”), duly executed by the applicable Sellers;
 - (v) a joint writing, pursuant to the Escrow Agreement, instructing the Escrow Agent to disburse the Good Faith Deposit to Buyer or Sellers, as applicable, in accordance with this Agreement (the “Escrow Instructions”), duly executed by Sellers;
 - (vi) certificates of existence and good standing for each Seller issued by the Secretary of State of the State of Georgia and dated no more than ten Business Days prior to the Closing Date;
 - (vii) a certificate, in form and substance reasonably acceptable to Buyer, duly executed by a duly authorized officer of each Seller (A) certifying as to the accuracy of the representations and warranties in ARTICLE III as of the Closing in accordance with Section 7.2(e), (B) certifying as to the absence of any Seller Material Adverse Effect since the Execution Date and as of the Closing in accordance with Section 7.2(f), (C) certifying as to each Seller’s compliance with and performance of the covenants and obligations to be performed or complied with at or prior to the Closing in accordance with Section 7.2(g), and (D) certifying as to the names, titles, and signatures of the officers of each Seller authorized to sign the Transaction Documents on behalf of such Seller;
 - (viii) all user names, passwords, and other devices necessary for Buyer and its Representatives to gain access to all computers and other internet, sale and communication systems and equipment included in the Purchased Assets;
 - (ix) all books, records, and other data relating to any of the Purchased Assets, the Assumed Liabilities, or the Business (other than such books, records, and other data that are Excluded Assets);
 - (x) all key codes, access codes, alarm or security codes, lock combinations, or other materials or information required to allow Buyer access to all Purchased Assets generally;
 - (xi) a duly completed and executed IRS Form W-9 by each Seller;
 - (xii) the Agency Agreement duly executed by Sellers; and
 - (xiii) such other documents or information required or necessary for use of the Purchased Assets as Buyer may reasonably request.
- (b) Buyer shall deliver, or cause to be delivered, to Sellers the following (collectively, the “Buyer Closing Documents”) on the Closing Date:

- (i) the Bill of Sale, the Contract Assumption and Assignment Agreement, the IP Assignment Agreement, and the Escrow Instructions, in each case, duly executed by Buyer;
- (ii) a certificate of good standing issued by the Secretary of State of the State of Delaware, dated no more than ten Business Days prior to the Closing Date;
- (iii) the Agency Agreement duly executed by Buyer or its designee(s); and
- (iv) a certificate, in form and substance reasonably acceptable to Sellers, duly executed by an authorized officer of Buyer (A) certifying as to the accuracy of the representations and warranties in ARTICLE IV as of the Closing in accordance with Section 7.3(a), (B) certifying as to Buyer's or Buyer's compliance (as applicable) with and performance of the covenants and obligations to be performed or complied with at or prior to the Closing in accordance with Section 7.3(b), and (C) certifying as to the names, titles, and signatures of the officers of Buyer authorized to sign the Transaction Documents on behalf of Buyer.

2.5 Purchase Price Adjustment.

(a) No fewer than three Business Days prior to the Closing Date, Sellers shall prepare and deliver to Buyer a statement, in form and substance reasonably acceptable to Buyer (the "Estimated Closing Statement"), setting forth Sellers' good faith estimates of (i) Net A/R Amount (the "Estimated Net A/R Amount"), (ii) Net Inventory Amount (the "Estimated Net Inventory Amount"), and (iii) Estimated Closing Cash Consideration, which must be reasonably acceptable to Buyer (such acceptance not to be unreasonably withheld, conditioned or delayed by Buyer) and be allocated among Iconix and Hilco in accordance with this Agreement. After delivery to Buyer of the Estimated Closing Statement and prior to the Closing, Sellers shall provide Buyer and Buyer's Representatives with a reasonable opportunity, in a manner that does not unreasonably interfere with the Business, to review any books and records and work papers used in preparing the Estimated Closing Statement and all components thereof.

(b) As promptly as practicable, but in no event later than 30 days after the Closing Date, Buyer shall prepare and deliver to Sellers a statement (the "Revised Closing Statement") setting forth Buyer's allocation of the Purchase Price among Iconix and Hilco and Buyer's good faith calculation of (i) Net A/R Amount (the "Revised Net A/R Amount"), (ii) Net Inventory Amount (the "Revised Net Inventory Amount"), and (iii) Revised Closing Cash Consideration. During the Objection Period, Buyer shall provide Sellers and Sellers' respective Representatives with a reasonable opportunity, in a manner that does not unreasonably interfere with the businesses and operations of Buyer (including the Business) and Buyer's Affiliates, to review any books and records and work papers used in preparing the Revised Closing Statement and all components thereof. If Buyer does not provide Sellers and Sellers' respective Representatives the information or access required by the foregoing sentence of this Section 2.5(b) within five Business Days of the receipt of written request therefor (or such shorter period as may remain in the Objection Period so long as such written request therefor is received at least two Business Day prior to the expiration of the Objection Period), the Objection Deadline shall be extended by one day for each additional day required for Buyer to provide such requested access. To the extent that the Buyer does not provide the Revised Closing Statement within such 30 day

period, then the Sellers may, at their option, (i) engage a third party auditor to prepare the Revised Closing Statement and deliver it to Buyer or (ii) provide notice to the Buyer, and the Buyer shall have been deemed to have agreed to and accepted upon delivery of such notice, that the Estimated Closing Statement and the amounts set forth therein are final, binding, and conclusive on the Parties for all purposes under this Agreement. If Sellers elect to engage a third party auditor to prepare the Revised Closing Statement, then, upon delivery of any Revised Closing Statement by Sellers to Buyer, Buyer shall have the right to object to or dispute any information in or underlying such Revised Closing Statement and the resolution of any such dispute shall be governed in the same manner as provided in this Section 2.5, mutatis mutandis.

(c) If, prior to the Objection Deadline, Sellers have not given Buyer an Objection Notice with respect to the Revised Closing Statement, then (i) the Revised Closing Statement and all components thereof will be deemed final, binding, and conclusive on the Parties for all purposes under this Agreement and not subject to further dispute or challenge and (ii) the Revised Closing Cash Consideration will be deemed the Final Closing Cash Consideration.

(d) If, prior to the Objection Deadline, Sellers have given Buyer an Objection Notice with respect to General Disputed Matters, then Buyer and Sellers shall in good faith attempt to resolve the Disputed Matters (and, for avoidance of doubt, all other matters with respect to, and all other components of, the Revised Closing Statement will be deemed final, binding, and conclusive on the Parties for all purposes under this Agreement and not subject to further dispute or challenge). If Buyer and Sellers fail to resolve all of the Disputed Matters within 15 days following Buyer's receipt of such Objection Notice, then either Buyer, on the one hand, or Sellers, on the other hand, will be entitled to submit the Disputed Matters remaining in dispute (and only such Disputed Matters, as all other matters with respect to, and all other components of, the Revised Closing Statement (including those Disputed Matters resolved by Buyer and Sellers in accordance with the immediately preceding sentence) will be deemed final, binding, and conclusive on the Parties for all purposes under this Agreement and not subject to further dispute or challenge) to the Independent Accounting Firm for resolution in accordance with the guidelines and procedures set forth in this Agreement. If Disputed Matters are submitted to the Independent Accounting Firm for resolution in accordance with the immediately preceding sentence, (i) Buyer and Sellers shall furnish, or cause to be furnished, to the Independent Accounting Firm such work papers and other documents and information relating to such Disputed Matters as the Independent Accounting Firm requests and as are available to such Party or such Party's Representatives; (ii) Buyer and Sellers shall instruct the Independent Accounting Firm not to revise any element of the Revised Closing Statement that is not such a Disputed Matter or assign a value to any element of such a Disputed Matter greater than the largest value for such item claimed by any such Party or less than the smallest value for such item claimed by any such Party; (iii) there shall be no ex parte communications between Buyer or Sellers and the Independent Accounting Firm; (iv) Buyer and Sellers shall instruct the Independent Accounting Firm to deliver the Independent Accounting Firm's determination in a written notice to Buyer and Sellers within 60 days of the submission to the Independent Accounting Firm of such Disputed Matters, and such determination (to the extent compliant with the instructions required by Section 2.5(d) (ii) and absent fraud or manifest error) will be deemed final, binding, and conclusive on the Parties for all purposes under this Agreement and not subject to further dispute or challenge and will be used in the determination of the Final Closing Cash Consideration and all components thereof; and (v) the fees and expenses of the Independent

Accounting Firm will be allocated and payable by Buyer, on the one hand, and Sellers, on the other hand, in proportion to the amounts by which the proposals of Buyer and Sellers, respectively, differed from the Independent Accounting Firm's final determination of such Disputed Matters, and Buyer and Sellers shall instruct the Independent Accounting Firm to determine such proportions in the Independent Accounting Firm's final determination pursuant to this Section 2.5(d). The Parties are entitled to enter and reduce to judgment any award given by the Independent Accounting Firm in accordance with this Section 2.5(d) in a court of competent jurisdiction if payment is not timely made in accordance with Section 2.5(e).

(e) If, prior to the Objection Deadline, Sellers have given Buyer an Objection Notice with respect to Inventory Disputed Matters, then Buyer and Sellers shall (i) jointly engage WIS International (the "Inventory Auditor") to conduct a physical count of the Inventory at the Stores and (ii) use commercially reasonable efforts to resolve any disputes with respect to Inventory at the Distribution Center. Buyer and Sellers shall furnish, or cause to be furnished, to the Inventory Auditor access to the Inventory at the Stores and any work papers and other documents and information relating to such Inventory Disputed Matters as the Inventory Auditor requests and as are available to such Party or such Party's Representatives. There shall be no ex parte communications between Buyer or Sellers and the Inventory Auditor. Buyer and Sellers shall instruct the Inventory Auditor to deliver its determination in a written notice to Buyer and Sellers as promptly as practicable, but in any event within 30 days of the submission to the Inventory Auditor of such Inventory Disputed Matters, and such determination (to the extent absent fraud or manifest error) will be deemed final, binding, and conclusive on the Parties for all purposes under this Agreement and not subject to further dispute or challenge and will be used in the determination of the Final Closing Cash Consideration and all components thereof. The fees and expenses of the Inventory Auditor will be borne and payable by Buyer.

(f) If the Final Closing Cash Consideration exceeds the Estimated Closing Cash Consideration, then, within two Business Days of the final determination of the Final Closing Cash Consideration in accordance with this Section 2.5, (i) Buyer shall pay to Sellers an amount equal to the amount of such excess by wire transfer of immediately available funds to the Purchase Price Bank Account, and (ii) Buyer and Sellers shall deliver a joint writing, pursuant to the Escrow Agreement, instructing the Escrow Agent to disburse to Sellers an amount equal to the Purchase Price Adjustment Escrow Amount by wire transfer of immediately available funds to the Purchase Price Bank Account. If the Estimated Closing Cash Consideration exceeds the Final Closing Cash Consideration, then, within two Business Days of the final determination of the Final Closing Cash Consideration in accordance with this Section 2.5, Buyer and Sellers shall deliver a joint writing, pursuant to the Escrow Agreement, instructing the Escrow Agent to disburse (i) to Buyer an amount equal to the amount by which the Estimated Closing Cash Consideration exceeds the Final Closing Cash Consideration by wire transfer of immediately available funds to an account designated in writing by Buyer and (ii) to the Sellers the remaining balance, if any, of the Purchase Price Adjustment Escrow Amount after giving effect to the disbursement to Buyer pursuant to the foregoing clause (i) by wire transfer of immediately available funds to the Purchase Price Bank Account; provided, however, if the amount by which the Estimated Closing Cash Consideration exceeds the Final Closing Cash Consideration exceeds the Purchase Price Adjustment Escrow Amount, Buyer and Sellers shall deliver a joint writing, pursuant to the Escrow Agreement, instructing the Escrow Agent to disburse to Buyer the entire Purchase Price Adjustment Escrow Amount by wire transfer of immediately available funds to an account designated in writing by Buyer, and

Buyer will have an allowed administrative expense priority claim in the Bankruptcy Cases pursuant to Section 503(b)(3) and 507(a)(2) of the Bankruptcy Code equal to the amount by which the Estimated Closing Cash Consideration exceeds the Final Closing Cash Consideration, to the extent not paid through Buyer's receipt of the Purchase Price Adjustment Escrow Amount. If the Final Closing Cash Consideration equals the Estimated Closing Cash Consideration, then, within two Business Days of the final determination of the Final Closing Cash Consideration in accordance with this Section 2.5, Buyer and Sellers shall deliver a joint writing, pursuant to the Escrow Agreement, instructing the Escrow Agent to disburse to Sellers an amount equal to the Purchase Price Adjustment Escrow Amount by wire transfer of immediately available funds to the Purchase Price Bank Account.

(g) The Estimated Closing Statement and the Revised Closing Statement, as well as all estimates, calculations, and determinations therein, will be prepared and calculated by the applicable Parties in accordance with the accounting principles, practices, classifications, procedures, policies, and methods set forth on Annex G (the "Accounting Principles") and to the extent not set forth in the Accounting Principles, in accordance with GAAP.

(h) The Parties shall treat each payment made under this Section 2.5 as an adjustment to the Purchase Price for Tax purposes, unless (i) a final "determination" (as that term is defined for purposes of Section 1313 of the Code or corresponding applicable state Legal Requirements) with respect to any such payment causes such payment not to be treated as an adjustment to the Purchase Price for Tax purposes or (ii) otherwise required by applicable Legal Requirements.

2.6 Tax Withholding. Notwithstanding anything in this Agreement to the contrary, Buyer are entitled to deduct and withhold from any portion of the Purchase Price, or other payment payable by Buyer pursuant to this Agreement, such amounts that are required to be deducted and withheld under the Code or any other Legal Requirement with respect to the making of such payment. In the event Buyer or its Affiliates and agents are required to withhold Tax from any payment made hereunder whether at Closing, or thereafter, prior to making any such withholding (other than withholding with respect to payments treated as compensation for Tax purposes or relating to a failure of any Seller to deliver an IRS Form W-9), Buyer (or its Affiliates) shall use reasonable best efforts to give Sellers at least three (3) days advance written notice of its intent to withhold and provide a reasonable opportunity for such recipient to indicate why withholding may not be warranted in a particular situation. To the extent that amounts are so deducted and withheld, such amounts will be deemed for all purposes of this Agreement as having been paid to the Person in respect of which such deduction and withholding were made and no deduction or withholding effectuated in accordance with this Section 2.6 will constitute or be deemed to constitute a breach of any of Buyer's obligations under this Agreement.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF SELLERS

Except (a) as set forth in the Schedules delivered by Sellers to Buyer in connection with the execution of this Agreement (collectively, the "Schedules" and each, a "Schedule"); or (b) such exceptions that result from the filing and commencement of the Bankruptcy Cases, including the entry of the Sale Order and any other Orders of the Bankruptcy Court necessary to consummate the Transactions, Sellers (and, for purposes of this ARTICLE III, all references to "Seller" or "Sellers" are deemed to also be references to all predecessor and predecessor-in-interest companies) hereby represent and warrant to Buyer

as of the Execution Date and as of the Closing Date (except for representations and warranties that address matters only as of a specified date, in which case as of such specified date) as follows:

3.1 Organization and Good Standing; Subsidiaries.

(a) Each Seller is duly incorporated or formed, as applicable, validly existing, and in good standing under the Legal Requirements of the State of Georgia and each Seller has requisite power and authority to own or lease the Assets owned or leased, respectively, by such Seller as they are now owned or leased, and to carry on the Business as it is now being conducted. Each Seller is duly qualified and licensed to do business and is in good standing in all jurisdictions where the character of the Assets owned or leased by such Seller or the nature of such Seller's activities, including the Business, makes such qualification necessary, except where failure to be so qualified would not have a Seller Material Adverse Effect, and each jurisdiction where each such Seller is qualified and licensed to do business is set forth on Schedule 3.1(a).

(b) Except as set forth on Schedule 3.1(b), no Seller (i) has any Subsidiaries, (ii) owns any securities of, or any other ownership interest in, any Person, or (iii) controls directly or indirectly, any other Person.

3.2 Authority; No Conflict.

(a) This Agreement has been duly and validly executed by each Seller, and this Agreement (subject to the entry of the Sale Order by the Bankruptcy Court, and assuming due authorization, execution, and delivery by Buyer) constitutes the legal, valid, and binding obligation of each Seller, enforceable against each Seller in accordance with its terms, except as enforceability is limited by bankruptcy laws, other similar laws affecting creditors' rights, and general principles of equity affecting the availability of specific performance and other equitable remedies (the "Enforceability Exceptions"). Subject to the entry of the Sale Order by the Bankruptcy Court, upon the delivery (and execution, if applicable) by Sellers of each of the Seller Closing Documents, each of the Seller Closing Documents (assuming due authorization, execution, and delivery by the other party or parties thereto, if applicable) will constitute the legal, valid, and binding obligation of each Seller, enforceable against each Seller, as applicable, in accordance with the terms thereof, except as enforceability is limited by the Enforceability Exceptions. Subject to the entry of the Sale Order by the Bankruptcy Court, each Seller has the right, power, and authority to execute and deliver this Agreement and the Seller Closing Documents to which such Seller is a party and to perform such Seller's obligations under this Agreement and the Seller Closing Documents to which such Seller is a party, and such actions have been duly authorized by all necessary limited liability company or other governing action by such Seller.

(b) Except as set forth on Schedule 3.2(b), neither the execution, delivery, or performance of this Agreement or any of the other Transaction Documents by any Seller nor the consummation or performance of any of the Transactions by any Seller will, directly or indirectly (with or without notice or lapse of time or both), (i) contravene, conflict with, or result in a violation or breach of any provision of any of the Constitutive Documents or Governance Documents of any Seller, (ii) contravene, conflict with, or result in a violation or breach of any Legal Requirement to which any Seller is subject, (iii) contravene, conflict with, or result in a violation or breach of, constitute a default under, or give any Governmental Authority the right to revoke, withdraw, suspend, cancel,

terminate, or modify any Seller Governmental Authorization, (iv) contravene, conflict with, or result in a violation or breach of, constitute a default under, or give any Person the right to declare a default or exercise any remedy under, accelerate the maturity or performance of or payment under, or cancel, terminate, or modify any Assigned Contract, or (v) result in the creation or imposition of any Encumbrance upon any of the Purchased Assets (other than Permitted Post-Closing Encumbrances).

(c) Except (i) for the Bankruptcy Cases and entry of the Sale Order and (ii) as set forth on Schedule 3.2(c), no Seller is or will be required to give any notice to, make any Filing with, or obtain any Consent from any Person in connection with the execution, delivery, and performance of this Agreement or any of the other Transaction Documents, or the consummation and performance of the Transactions.

3.3 Financial Information.

(a) Attached to Schedule 3.3(a) are copies of the unaudited consolidated balance sheets of the Sellers as of September 30, 2023 and October 1, 2022, and the related unaudited statements of income, equity and cash flows for the annual periods then ended (collectively, the “Fiscal Year Financial Statements”), and the unaudited consolidated balance sheets of the Sellers as of and for the five month period ended May 31, 2024 and the related unaudited statements of income and cash flows of the Sellers for the related period then ended (collectively, the “Interim Financial Statements”). The Financial Statements (i) fairly present in all material respects the financial position, results of operations, and changes in financial position and cash flows of Sellers as of the dates and for the periods specified, and (ii) have been prepared in accordance with the books and records of Sellers, the historic accounting practices of Sellers, and GAAP applied on a consistent basis throughout the periods covered by the Financial Statements, except, with respect to the Interim Financial Statements, for normal recurring year-end adjustments the effect of which will not, individually or in the aggregate, be material and the absence of customary footnotes.

(b) All of the accounts, royalties, notes receivable and other amounts owing to Sellers in connection with or related to the Business and to be conveyed as Purchased Assets (collectively, the “A/R”) arose from bona fide transactions in the Ordinary Course and, to the Knowledge of Sellers, there are no claims, valid legal defenses, refusals to pay, or other rights of offset against any of the A/R, except as have arisen or will arise in the Ordinary Course and for which adequate reserves have been established in the Interim Balance Sheet. Other than as a result of the Bankruptcy Cases, there has not been a materially adverse change in the composition of the A/R arising after the Interim Balance Sheet Date, in terms of aging, as reflected in the accounting records of Sellers as of the Closing as compared to the A/R as reflected on the Interim Balance Sheet. The reserve for bad debts established on the Interim Balance Sheet or, with respect to the A/R arising after the Interim Balance Sheet Date, on the balance sheets within the Monthly Financial Statements or the accounting records of Sellers, has been determined in accordance with GAAP applied on a consistent basis, except for normal recurring year-end adjustments.

(c) Except as set forth on Schedule 3.3(c), Sellers have no Liabilities that would be required under GAAP to be reflected or reserved against in the financial statements of such Seller related to the Purchased Assets or arising out of or connected with the Business other than (i) Liabilities reflected or reserved against on the Interim Balance Sheet and (ii) current

Liabilities incurred in the Ordinary Course since the Interim Balance Sheet Date, which are not material in amount (either individually or in the aggregate).

3.4 Assets; Inventory.

(a) Except as set forth on Schedule 3.4(a), each Seller has good, valid, and marketable title to, or a valid and enforceable leasehold interest in, all of those Assets that are, or are purported to be, Purchased Assets or Designated Assets, free and clear of all Encumbrances (other than Permitted Post-Closing Encumbrances). At the Closing, the Purchased Assets and Designated Assets will include all of those Assets necessary to conduct the Business as presently conducted. None of the Excluded Assets are material to the Business.

(b) All of the Inventory consists, in all material respects, of a quality and quantity useable for its intended purpose and saleable in the Ordinary Course. The quantities of each item of Inventory are reasonable for the operation of the Business in the Ordinary Course.

3.5 Real Property.

(a) Except for the warehouse and distribution center owned by Delta Apparel and identified on Schedule 3.5(a)-1 (the “Distribution Center”), a portion of which is currently used by Sellers in the operation of the Business, no Seller currently owns any real property related to or used in the Business and no Seller holds any Preferential Rights to acquire any real property and is not obligated or bound by any Preferential Rights to sell, lease, or purchase any real property. Except as set forth on Schedule 3.5(a)-1, Sellers lease or sublease all real property used in the Business. Schedule 3.5(a)-2 sets forth a materially accurate description of all leasehold interests in real property held by any Seller related to or used in the Business, including the street address of each parcel of leased real property (collectively, the “Leased Real Property”), and a list of all real property leases, subleases or other Contracts pursuant to which any Seller leases, uses, or otherwise occupies the Leased Real Property (collectively, the “Real Property Leases”), accurate and complete copies of which have been made available to Buyer in the Virtual Data Room.

(b) Except as set forth on Schedule 3.5(b), with respect to the Leased Real Property, as applicable: (i) Sellers enjoy peaceful and undisturbed possession of the Leased Real Property; (ii) no Seller has received written notice of any material violation of any Legal Requirement or any condemnation or eminent domain proceedings, in each case, relating to any part of the Leased Real Property or the operation thereof; (iii) to the Knowledge of Sellers, there are no existing or proposed plans to modify or realign any street or highway or any existing or proposed eminent domain proceeding that would materially affect any of the Leased Real Property, or the Distribution Center, or the operation of the Business; (iv) to the Knowledge of Sellers, there is no Order requiring repair, alteration, or correction of any existing condition affecting any of the Leased Real Property or the systems or improvements thereon that would be the responsibility of the lessee under the Real Property Leases; (v) electric, gas, water, sanitary sewer, storm sewer, communications, and other utilities are available at the Leased Real Property in capacities sufficient for the normal operations of the Business in the Ordinary Course; (vi) to the Knowledge of Sellers, the use of the Leased Real Property and all buildings, structures, improvements, fixtures, building systems, and equipment, and all other components thereof, on the Leased Real Property conform in all material respects to all applicable Legal Requirements (vii) the Leased Real Property has adequate rights of access to one or more dedicated public right of way; (viii) no Seller has received written notice of any pending Proceedings for the

imposition of any special assessment, or the formation of a special assessment district, that would affect in any manner the Leased Real Property or any portion thereof or the liability of the lessee under any Real Property Lease; (ix) there are no debts or other Liabilities of any Seller relating to the Leased Real Property, including tenant improvement costs and leasing commissions, vesting, accruing, and/or arising prior to or in connection with the Closing, that will not be resolved through payment of the Cure Costs; (x) there is no material defect in or about the Leased Real Property or any portion thereof (for purposes of this clause (xi), “material defect” means any defect that costs \$25,000 or more to repair or restore); (xii) no Seller has leased, subleased, assigned, or otherwise granted to any Person the right to use or occupy or acquire any of the Leased Real Property or any portion thereof; (xiii) except as expressly provided in the applicable Real Property Lease, no Seller has (A) any right or obligation to renew or extend the term of such Real Property Lease, (B) any Preferential Right to purchase all or any portion of the Leased Real Property or all or any portion of the buildings, structures, improvements, fixtures, building systems, and equipment, or all or any components thereof, or premises of which the Leased Real Property is a part, or (C) any right, title, or interest with respect to the Leased Real Property other than as lessee under the Real Property Leases, and (xiv) no Seller has pledged, mortgaged, or otherwise granted an Encumbrance (other than Permitted Post-Closing Encumbrances or as will be removed by the Sale Order) on such Seller’s interest in any Leased Real Property.

3.6 Intellectual Property; Information Systems.

(a) Schedule 3.6(a)-1 sets forth an accurate and complete list of all registered Marks, Net Names, Patents, and Copyrights, and the material unregistered Marks and Copyrights, that comprise the Seller IP Rights. None of the registered Marks, Patents and Copyrights comprising the Seller IP Rights are expired or abandoned or have been cancelled as of the Closing Date. Sellers own all right, title, and interest in and to all Seller IP Rights, free and clear of all Encumbrances (other than Permitted Post-Closing Encumbrances). In each case in which any Seller has acquired, other than through a license, any Intellectual Property Rights from any Person, such Seller obtained a valid and enforceable assignment sufficient to irrevocably transfer all rights in and to such Intellectual Property Rights to such Seller.

(b) Schedule 3.6(b)-1 sets forth an accurate and complete list of all Intellectual Property Rights licensed to each Seller, except for any commercially available off-the-shelf Software products licensed under non-exclusive end-user object code license agreements, and sets forth a reference to an accurate and complete written Seller Contract evidencing such license (each such Seller Contract, an “Inbound License Agreement”). Schedule 3.6(b)-2 sets forth an accurate and complete list of all Seller Contracts by which any Seller licenses any Seller IP Rights to another Person (each such Seller Contract, an “Outbound License Agreement”). Except as otherwise set forth on Schedule 3.6(b)-3, each License Agreement (i) is in full force and effect, and constitutes a legal, valid, binding, and enforceable (except as enforceability is limited by the Enforceability Exceptions) obligation of each Seller a party thereto and (ii) except as a result of the Bankruptcy Cases, is not currently being breached by any Seller in any material respect. Except as a result of the Bankruptcy Cases, no Seller has received or provided any written notice of (A) termination or cancellation under any License Agreement or (B) a breach or default under any License Agreement.

(c) No Seller is infringing, misappropriating, diluting, or violating any of the Intellectual Property Rights of another Person and, to the Knowledge of Sellers, no Person is infringing, misappropriating, diluting, or violating any of the Seller IP Rights. Except as set forth on Schedule 3.6(c), no Seller has received any written communications in the past three years (i) alleging that any Seller has infringed, misappropriated, diluted, or violated any Intellectual Property Rights of any Person, or (ii) that have offered to license or grant any other rights or immunities under any Intellectual Property Rights of any Person other than Intellectual Property Rights subject to the Inbound License Agreements. Except as set forth on Schedule 3.6(c), no Proceeding is pending or has otherwise been made, asserted, or, to the Knowledge of Sellers, threatened against any Seller related to any of the Seller IP Rights or any of the Intellectual Property Rights of another Person, including based upon, challenging, or seeking to deny or restrict the ownership, license, use, or exploitation by any Seller of any of the Seller IP Rights or Intellectual Property Rights licensed to any Seller.

(d) All Information Systems used in the Business operate and perform in all material respects as necessary for the conduct of the Business as currently conducted and in accordance with their documentation and functional specifications. Sellers have commercially reasonable information security safeguards in place to maintain the confidentiality, integrity, and availability of the information stored, processed, and/or transmitted by the Information Systems that are used to conduct the Business. All information technology hardware and software used or held for use by the Sellers in the Business that are included in the Assets (the “IT Assets”) are either owned by, licensed or leased to, the Sellers. To the Knowledge of the Sellers, the IT Assets (i) operate and perform in all material respects in accordance with their documentation and functional specifications and otherwise as required by the Business as currently conducted, (ii) have been properly maintained, performed adequately and not materially malfunctioned or failed at any time during the last thirty six (36) months (subject to temporary problems arising in the ordinary course of business that did not materially disrupt the operations of the Business and which have been corrected), and (iii) are free of any Malicious Code. “Malicious Code” means any computer code or any other procedures, routines or mechanisms which may: (i) disrupt, disable, harm or impair in any material way such Software’s operation, (ii) cause such Software to damage or corrupt any data, storage media, programs, equipment or communications of the Sellers or their clients, or otherwise interfere with the Sellers’ operations or (iii) permit any third party to access any such Software to cause disruption, disablement, harm, impairment, damage erasure or corruption (sometimes referred to as “traps”, “viruses”, “access codes”, “back doors” “Trojan horses,” “time bombs,” “worms,” or “drop dead devices”). During the last thirty six (36) months, to the Knowledge of the Sellers, no person has gained unauthorized access to any IT Asset (excluding any external hack or similar attack that did not affect the IT Assets for a prolonged period or pose any material threat to the operations of the IT Assets). The Sellers have taken commercially reasonable precautions (including by way of outsourcing to third parties), including establishing and maintaining contingency plans, back-up facilities and disaster recovery technology processes consistent with industry standard practices, and necessary to protect (a) the computer systems (hardware and soft-ware) and related systems (such as networks) implemented or used by the Sellers in connection with the Business, and (b) the storage capacities and requirements of the Business, in each case of (a) and (b) against (i) overload, failure, limitation of system capacities, manual misuses and other interruptions of regular business operations, (ii) fire, explosion, flood, any other calamity and other interruptions of regular business operations as well as (iii) un-authorized access or manipulation by third parties.

3.7 Material Customers and Material Suppliers.

(a) Schedule 3.7(a)-1 sets forth an accurate list of the top ten (10) customers of Sellers based on the aggregate revenue generated for Sellers by such customers during the twelve (12) month period ended May 31, 2024 (collectively, the “Material Customers”), and the amount of revenue attributable to each Material Customer that was generated for Sellers during each such period. Except as set forth on Schedule 3.7(a)-2 or as a result of the commencement of the Bankruptcy Cases, no Seller has received any written notice that any Material Customer has or intends to cease to use a Seller’s goods or services or doing business with the Business prior to the Closing. No Seller has received from any Material Customer or given to any Material Customer any notice of force majeure, impossibility of performance, frustration of purpose, or similar notice of non-performance.

(b) Schedule 3.7(b)-1 sets forth an accurate list of the top ten suppliers and vendors of Sellers based on volume in dollars of purchases from or spent with such suppliers or vendors by Sellers during the twelve (12) month period ended May 31, 2024 (collectively, the “Material Suppliers”), and the dollar amount of purchases from or spent with each Material Supplier by Sellers during each such period. Except as set forth on Schedule 3.7(b)-2 or as a result of the commencement of the Bankruptcy Cases, no Seller has received any written notice that any Material Supplier has or intends to materially increase the price of any raw materials, supplies, merchandise, or other goods and services sold or provided, respectively, to such Seller by such Material Supplier prior to the Closing.

3.8 Assigned Contracts; No Defaults; Product and Service Warranties.

(a) Sellers have made available to Buyer in the Virtual Data Room accurate copies of each Assigned Contract.

(b) Except as set forth on Schedule 3.8(b), there are no pending claims for breach of warranty with respect to any goods or products sold, or services performed by the Business that have been asserted against any Seller.

3.9 Insurance. Schedule 3.9 sets forth an accurate list of all policies of insurance (including “self-insurance” programs) covering any Seller with respect to the Business (collectively, the “Insurance Policies”), including policy numbers, names of insurers, type of policy, and expiration dates. Copies of the Insurance Policies have been made available to Buyer in the Virtual Data Room. Schedule 3.9 sets forth an accurate list of all pending claims under such insurance policies (and predecessor insurance policies).

3.10 Proceedings; Orders. Except for the Bankruptcy Cases or as set forth on Schedule 3.10, there are no Proceedings pending or Orders entered, or, to the Knowledge of Sellers, threatened by or against any Seller that (i) relate to the Business, any of the Purchased Assets or Designated Assets, or any of the Assumed Liabilities or (ii) that challenge, or that would have the effect of preventing, delaying, making illegal, or otherwise interfering with, any of the Transactions.

3.11 Governmental Authorizations.

(a) Each Seller holds in its name and, as applicable, has submitted, all material Governmental Authorizations necessary to own, operate, and use the Purchased Assets and Designated Assets in conducting the Business, and to carry on and conduct the Business as currently conducted (collectively, the “Seller Governmental Authorizations”). Each of the Seller Governmental Authorizations is in good standing, valid, and in full force and effect.

(b) Except as set forth on Schedule 3.11(b), each Seller is currently in compliance in all material respects with all of the terms and requirements of each of the Seller Governmental Authorizations.

3.12 Compliance with Legal Requirements.

(a) Each Seller is in compliance in all material respects with all applicable Legal Requirements. To the Knowledge of Sellers, no investigation or inquiry is being or has been conducted by any Governmental Authority with respect to any Seller or the Business.

(b) No Seller, and none of such Seller's Representatives (with respect to any matter relating to any Seller or the Business) has, directly or indirectly, (i) used any funds for unlawful contributions, loans, donations, gifts, entertainment, or other unlawful expenses relating to political activity, (ii) made or agreed to make any unlawful payment to domestic or foreign government officials or employees or to domestic or foreign political parties or campaigns, (iii) taken any action that would constitute a violation of the Anti-Bribery Laws, or (iv) made or agreed to make any other unlawful payment. Sellers have instituted and maintained policies, procedures, and controls designed to ensure, and that are reasonably expected to continue to ensure, continued compliance with the Anti-Bribery Laws (and with all other similar Legal Requirements) by Sellers and their respective Representatives.

3.13 Business Employees.

(a) Schedule 3.13(a) sets forth an accurate and complete list of all Business Employees (including those on leave of absence, furlough, or layoff status) of each Seller as of August 8, 2024, and sets forth for each of the Business Employees the following information, as applicable: (i) name; (ii) title or position (including whether full or part time); (iii) hire date; (iv) current annual or hourly base compensation rate; (v) commission, bonus target, or other incentive-based compensation; (vi) classification under FLSA; and (viii) status as "active" or "on leave".

(b) Except as set forth on Schedule 3.13(b), no Seller is a party to any employment, non-competition, non-solicitation, or severance Contract with any current Business Employees of such Seller. Except as prohibited by the Bankruptcy Code compensation, including wages, commissions, and bonuses, due and payable to the Business Employees for services performed have been lawfully paid in full.

(c)

(d) Except as set forth on Schedule 3.13(d)-1, no Seller is, and no Seller has been in the past three years, a party to, bound by, or negotiating any collective bargaining or other Contract with any Union, and there is not any Union representing or purporting to represent any Business Employees, and, to the Knowledge of Sellers, no Union is seeking or has sought to organize Business Employees for the purpose of collective bargaining. There is not, and there has not been in the past three years, any threat of any strikes, lockouts, work stoppages, work interruptions (except with respect to COVID-19), slowdowns, concerted refusal to work overtime, or other similar labor disruption or dispute involving the Business Employees. Except as set forth on Schedule 3.13(d)-1, none of the work performed by any of the Business Employees or upon any Purchased Assets has been certified by the National Labor Relations Board as bargaining unit work.

3.14 Benefit Plans.

(a) Schedule 3.14(a) sets forth an accurate list of each Benefit Plan. With respect to each Benefit Plan, Sellers have made available to Buyer in the Virtual Data Room accurate copies of the following documents, existing as of the date of this Agreement, to the extent applicable: (i) all plan documents, including any related trust documents, insurance contracts or other funding arrangements and all amendments thereto; (ii) for the three (3) most recent plan years: (A) Form 5500 and all schedules thereto; (B) financial statements; and (C) actuarial or other valuation and/or funding reports; (iii) the most recent IRS determination letter or opinion letter; (iv) the most recent summary plan description and all amendments thereto; and (v) written summaries of the material terms of any Benefit Plans that are not in writing. Each Benefit Plan has been established, documented, and maintained in compliance in all material respects with its terms and with applicable Legal Requirements. All contributions (including employer and employee contributions), premiums and other payments under or in connection with each Benefit Plan required to have been made under the terms of such Benefit Plan or pursuant to applicable Legal Requirements have been made. Each Benefit Plan that is intended to be qualified within the meaning of Section 401(a) of the Code is so qualified and, to the Knowledge of Sellers, no event has occurred or circumstances exists that would reasonably be expected to result in a loss of the qualified status of such Benefit Plan. There are no Proceedings (other than routine claims for benefits made in the ordinary course of plan administration) pending or, to the Knowledge of Sellers, threatened against or with respect to any Benefit Plan.

(b) No Benefit Plan is (i) a “multiemployer plan,” as such term is defined in Section 3(37) of ERISA, (ii) a plan that is subject to Title IV of ERISA, Section 302 of ERISA, or Section 412 of the Code, or (iii) a “multiple employer plan” as defined in Section 413(c) of the Code, and no Seller or any ERISA Affiliate has, within the last three years, maintained, contributed to, or been required to contribute to any plan described in this Section 3.14(b).

(c) No Seller or ERISA Affiliate has taken any action that would result in Buyer being party to or bound by any Benefit Plan following the Closing.

(d) Each Benefit Plan that is subject to Section 409A of the Code has been administered in material compliance with its terms and the operational and documentary requirements of Section 409A of the Code and all applicable regulatory guidance (including notices, rulings, and proposed and final regulations) thereunder. No Seller has any obligation to gross up, indemnify, or otherwise reimburse any individual for any excise taxes, interest, or penalties incurred under Section 409A of the Code.

(e) Each Benefit Plan that constitutes a group health plan subject to Section 4980H of the Code has offered coverage to full-time employees and their respective dependent children as required to avoid the excise taxes under Section 4980H of the Code, and Sellers have provided, or have caused to be provided, timely and complete IRS Forms 1094-C and 1095-C to such Benefit Plan participants and the IRS.

3.15 Taxes.

(a) Sellers have made available to Buyer in the Virtual Data Room accurate copies of all Tax Returns and all amendments to such Tax Returns filed by or on behalf of, or that

include, any Seller for the three most recent Tax years prior to the Closing Date. Each Seller has duly filed all Tax Returns required to be filed by such Seller (which are accurate in all respects) and has timely paid in full, or caused to be paid in full, all material Taxes and all assessments of any kind or nature whatsoever (whether or not shown on any Tax Return) allocable to any period ending prior to the Closing and required to be paid by such Seller. Except as set forth on Schedule 3.15(a), no Seller is currently the beneficiary of any extension of time within which to file any Tax Return. To the Knowledge of Sellers, each Seller has timely withheld and paid all Taxes required to have been withheld and paid in connection with any amounts paid or owing to any employee, independent contractor, creditor, shareholder, member, or other Person, and all Forms W-2 and 1099 (and any state equivalent forms) required with respect thereto have been properly completed and timely filed with the appropriate Governmental Authority. All sales, goods and services, and value added Taxes required to be collected and remitted by any Seller have been properly collected and timely remitted in all material respects.

(b) A list of all jurisdictions where any Seller files Tax Returns or charges and remits sales or use Taxes is set forth on Schedule 3.15(b) (with such jurisdictions being categorized in a manner that corresponds with the applicable Seller filing in such jurisdiction). In all material respects and except as relieved by the Bankruptcy Cases and the Sale Order, all necessary sales Tax exemption certificates have been obtained by each Seller and all such certificates have been properly completed and maintained.

(c) Except as may be part of the Bankruptcy Cases, no assessment or other Proceeding by any Governmental Authority is pending or, to the Knowledge of Sellers, threatened with respect to the Taxes or Tax Returns of any Seller.

(d) Except as set forth on Schedule 3.15(d)-1, Sellers have no continuing obligations under Sections 2301-2308 of the CARES Act or Sections 7001-7005 of the Families First Act. Except as set forth on Schedule 3.15(d)-2, each Seller has properly complied with all requirements of applicable Legal Requirements in order to defer the amount of the employer's share of any "applicable employment taxes" under Section 2302 of the CARES Act. Except as set forth on Schedule 3.15(d)-3, no Seller has deferred any payroll tax obligations pursuant to any U.S. presidential memorandum, executive order, or similar publication or document permitting or requiring the deferral of any payroll Taxes (including those imposed by Section 3101(a) and 3201 of the Code).

3.16 Personal Information Except as set forth on Schedule 3.16, each Seller is, and for the past three years has been, in compliance in all material respects with all applicable Legal Requirements regarding Personal Information ("Privacy Laws and Standards"). Sellers have made available to Buyer in the Virtual Data Room accurate and complete copies of all internal and external policies and procedures of each Seller concerning the privacy and protection of Personal Information, including both current and former iterations of such policies. Upon the execution and delivery of the Transaction Documents and consummation and performance of the Transactions, Buyer will have the right to access, use, collect, store, maintain, disclose, transfer, and process Personal Information held by any Seller as of the date immediately prior to the Closing Date on substantially the same terms as such Seller as of the date immediately prior to the Closing Date. All Seller Sites and all materials distributed or marketed by any Seller make all material disclosures to users or customers required by Privacy Laws and Standards and the Seller Privacy Requirements, and none of such disclosures made or contained in any of the Seller Sites or in any such materials has been materially inaccurate, misleading, or deceptive or in violation of any Privacy Laws and Standards.

3.17 Related Persons. Except as set forth on Schedule 3.17, no Related Person (a) is or, at any time on or after January 1, 2023, has been, directly or indirectly, an owner of more than five percent, or an Affiliate, of any Material Customer or Material Supplier or otherwise involved in any business arrangement or relationship with any Seller or any Material Customer or Material Supplier related to the Business, other than employment arrangements with such Seller entered into in the Ordinary Course, (b) owns, or on or after January 1, 2023 has owned, directly or indirectly, any material Asset or right, tangible or intangible, used by any Seller in the Business, or (c) is engaged, or at any time has engaged, directly or indirectly, in competition with any Seller or the Business.

3.18 Absence of Certain Changes, Events and Conditions. During the period from and including January 1, 2023 through the Execution Date, except for the Bankruptcy Cases (i) Sellers have (A) conducted the Business solely in the Ordinary Course and (B) used commercially reasonable efforts to maintain, keep, and preserve the Purchased Assets and Designated Assets in good condition and repair (normal wear and tear excepted), (2) preserve the Business intact, (3) keep available the services of the business employees and Sellers' independent contractors for the Business as may be necessary to effect the Transactions, and (4) preserve the goodwill of Sellers' customers, suppliers, distributors, lessors, lessees, licensors, licensees, creditors, employees, and independent contractors, as well as all others having business dealings or relations with Sellers, and (ii) there has not been any Seller Material Adverse Effect.

3.19 Brokers or Finders. Except as set forth on Schedule 3.19, no investment banker, financial advisor, broker, finder, or other intermediary has been retained by or is authorized to act on behalf of any Seller that could be entitled to any fee, commission, or other similar payment from Buyer, any Seller, or any of their respective Affiliates with respect to the Transactions.

3.20 No Other Representations or Warranties. Except for the representations, warranties and covenants of Sellers expressly contained herein or in any of the other Transaction Documents, neither Sellers nor any of their respective Representatives, nor any other Person, makes any other express or implied warranty (including, without limitation, any implied warranty of merchantability or fitness for a particular purpose) on behalf of Sellers, including, without limitation, as to (a) the probable success or profitability of ownership, use or operation of the Purchased Assets or Designated Assets by Buyer after the Closing, (b) the probable success or results in connection with the Bankruptcy Court and the Sale Order, or (c) the value, use or condition of the Purchased Assets or Designated Assets, which, subject to the representations, warranties, and covenants of Sellers expressly contained herein or in any of the other Transaction Documents, are being conveyed hereby on an "As-Is", "Where-Is" condition at the Closing Date, without any warranty whatsoever (including, without limitation, any implied warranty of merchantability or fitness for a particular purpose).

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Sellers as of the Execution Date and as of the Closing (except for representations and warranties that address matters only as of a specified date, in which case as of such specified date) as follows:

4.1 Organization and Good Standing. Iconix and Hilco are duly formed, validly existing, and in good standing under the Legal Requirements of the State of Delaware.

4.2 Authority; No Conflict.

(a) This Agreement has been duly and validly executed by Buyer, and this Agreement (assuming due authorization, execution, and delivery by Sellers) constitutes the legal, valid,

and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, except as enforceability is limited by the Enforceability Exceptions. Upon the delivery (and execution, if applicable) by Buyer of each of the Buyer Closing Documents, each of the Buyer Closing Documents (assuming due authorization, execution, and delivery by the other party or parties thereto, if applicable) will constitute the legal, valid, and binding obligation of Buyer, enforceable against Buyer in accordance with the terms thereof, except as enforceability is limited by the Enforceability Exceptions. Buyer has the right, power, and authority to execute and deliver this Agreement and the Buyer Closing Documents and to perform Buyer's obligations under this Agreement and the Buyer Closing Documents, and such actions have been duly authorized by all necessary corporate or other governing action by Buyer.

(b) Neither the execution, delivery, or performance of this Agreement or any of the other Transaction Documents by Buyer nor the consummation or performance of any of the Transactions by Buyer will, directly or indirectly (with or without notice or lapse of time or both) (i) contravene, conflict with, or result in a violation or breach of any provision of any of the Constitutive Documents or Governance Documents of Buyer, or (ii) contravene, conflict with, or result in a violation or breach of any Legal Requirement to which each Buyer is subject, except for any such contravention, conflict, violation, or breach, in each case, that would not reasonably be expected to cause a Buyer Material Adverse Effect.

(c) Buyer is not and will not be required to give any notice to, make any Filing with, or obtain any Consent from any Person in connection with the execution, delivery, and performance of this Agreement or any of the other Transaction Documents, or the consummation and performance of the Transactions, except for any such notice, Filing, or Consent (i) that has already been given, made, or obtained or will be given, made, or obtained as of the Closing, or (ii) where the failure to give such notice, make such Filing, or obtain such Consent, in each case, would not reasonably be expected to cause a Buyer Material Adverse Effect.

4.3 Brokers or Finders. Except for CoveView Advisors LLC, no investment banker, financial advisor, broker, finder, or other intermediary has been retained by or is authorized to act on behalf of Buyer that could be entitled to any fee, commission, or other similar payment from any Buyer, any Seller, or any of their respective Affiliates with respect to the Transactions.

4.4 Financing. At the Closing, the Buyer will have sufficient funds to permit the Buyer to consummate the Transactions and make payment of the Estimated Closing Cash Consideration to Sellers and all other payments required to be made by Buyer to, or on behalf of, Sellers pursuant to any Transaction Documents or as required by the Bankruptcy Court in connection with the Sale Order.

4.5 Solvency. Assuming that the representations and warranties of the Sellers set forth in Article III are true and correct in all material respects (disregarding all materiality and material adverse effect qualifications), at and immediately after the Closing, Buyer will be solvent (in that both the fair value of its assets will not be less than the sum of its debts and that the present fair saleable value of its assets will not be less than the amount required to pay its probable liability on its recourse debts as they mature or become due).

4.6 Due Diligence.

(a) EXCEPT AS OTHERWISE PROVIDED IN ARTICLE III OR THIS ARTICLE IV, IT IS UNDERSTOOD AND AGREED THAT, UNLESS EXPRESSLY STATED HEREIN, SELLERS ARE NOT MAKING AND HAVE NOT AT ANY TIME MADE AND BUYER EXPRESSLY DISCLAIM ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PURCHASED ASSETS OR DESIGNATED ASSETS, INCLUDING BUT NOT LIMITED TO, ANY WARRANTIES OR REPRESENTATIONS AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

(b) EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT OR IN ANY OF THE OTHER TRANSACTION DOCUMENTS, BUYER ACKNOWLEDGE AND AGREE THAT, UPON THE CLOSING, SELLERS SHALL SELL AND CONVEY TO BUYER, AND BUYER SHALL ACCEPT, THE PURCHASED ASSETS AND DESIGNATED ASSETS PURSUANT TO THE SALE ORDER. BUYER HAS NOT RELIED AND WILL NOT RELY ON, AND SELLERS ARE NOT LIABLE FOR OR BOUND BY, ANY EXPRESS OR IMPLIED WARRANTIES, GUARANTEES, STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PURCHASED ASSETS, DESIGNATED ASSETS OR RELATING THERETO MADE OR FURNISHED BY SELLERS OR THEIR RESPECTIVE REPRESENTATIVES, TO WHOMEVER MADE OR GIVEN, DIRECTLY OR INDIRECTLY, ORALLY OR IN WRITING, EXCEPT AS EXPRESSLY STATED HEREIN OR IN ANY OF THE OTHER TRANSACTION DOCUMENTS. BUYER ALSO ACKNOWLEDGES THAT THE PURCHASE PRICE REFLECTS AND TAKES INTO ACCOUNT THAT, EXCEPT AS EXPRESSLY STATED HEREIN OR IN ANY OF THE OTHER TRANSACTION DOCUMENTS, THE PURCHASED ASSETS AND DESIGNATED ASSETS ARE BEING SOLD “AS-IS, WHERE-IS, WITH ALL FAULTS.”

ARTICLE V PRE-CLOSING COVENANTS AND AGREEMENTS

5.1 Access and Investigation. During the Executory Period, upon prior written notice from Buyer, each Seller shall (a) provide Buyer and Buyer’s Representatives with reasonable access, during normal business hours, to the Purchased Assets, offices, facilities, books and records (including, to the extent included in the Purchased Assets, financial data, operating data, customer lists, credit information, Inventory, sales and purchasing information, Software documentation, and other working papers and data in the possession of any Seller or any of its Representatives (including independent accountants), internal audit reports, and management letters from such accountants with respect to such Seller’s system of internal controls), Tax Returns, Contracts, and Representatives of such Seller related to the Business, (b) furnish and make available to Buyer and Buyer’s Representatives such financial, operating, and other data and information related to the Business, the Purchased Assets, or the Assumed Liabilities as Buyer or any of Buyer’s Representatives reasonably request, and (c) cause such Sellers’ Representatives to reasonably cooperate with Buyer and Buyer’s Representatives in Buyer’s investigation of Sellers, the Business, the Purchased Assets, and the Assumed Liabilities. Notwithstanding the foregoing sentence, no Seller will be required to disclose or cause the disclosure of any information to Buyer to the extent such disclosure would (i) constitute a waiver of any legal privilege or (ii) materially contravene any applicable Legal Requirement or binding Seller Contract entered into prior to the Execution Date; provided that each Seller shall promptly inform Buyer in writing to the extent information is excluded pursuant to this sentence and shall use commercially reasonable efforts to provide Buyer with the maximum amount of information requested,

including providing information subject to the attorney-client privilege under joint defense privilege or seeking waiver of any applicable confidentiality restrictions.

5.2 Conduct of Business by Sellers During Executory Period.

(a) During the Executory Period, except as otherwise required, authorized, or provided pursuant to this Agreement, the Bankruptcy Code or an Order of the Bankruptcy Court, or as consented to in writing by Buyer (which consent shall not be unreasonably withheld, conditioned or delayed), Sellers shall, in all material respects, with regard to the Business, (i) conduct the Business solely in the Ordinary Course, (ii) use commercially reasonable efforts to (A) maintain, keep, and preserve the Purchased Assets in good condition and repair (normal wear and tear excepted) and (B) preserve the Business intact.

(b) Without limiting the generality of the foregoing, during the Executory Period, except (i) as required, authorized, or provided pursuant to this Agreement, the Bankruptcy Code or an Order of the Bankruptcy Court, or consented to in writing by Buyer (such consent not to be unreasonably withheld, conditioned, or delayed), no Seller shall, as it relates to the Business, (A) make any material capital expenditures other than budgeted and planned capital expenditures, (B) amend or modify (in any material respect) or sublease, assign, extend, renew, or terminate any Real Property Lease or enter into any new lease, sublease, license, or other Contract for the use or occupancy of any real property, (C) enter into or adopt any material fringe or employee benefit plan, program, that would have been a Benefit Plan if entered into or adopted prior to, and in effect as of, the Execution Date, (D) violate, amend, or otherwise modify or waive any of the material terms of, or terminate, any of the Assigned Contracts, (E) release any Person from, or modify or waive any provision of, any non-competition, confidentiality, or non-solicitation Seller Contract or other similar Seller Contract, or (F) abandon any material application filed by or on behalf of any Seller relating to Intellectual Property Rights.

5.3 Notification of Certain Matters. During the Executory Period, Buyer, on the one hand, and Sellers, on the other hand (as applicable, the “Notifying Party”), shall as promptly as reasonably practicable, notify the other Party(ies) (the “Notified Party”) of (a) any notice or other communication from or with any Governmental Authority in connection with the Transactions, (b) any notice from any Person alleging that the Consent of such Person is or could be required in connection with any of the Transaction Documents or the Transactions, (c) any Proceeding commenced or threatened in writing against the Notifying Party in connection with any of the Transaction Documents or the Transactions, (d) any Order issued or threatened in writing to be issued against the Notifying Party in connection with any of the Transaction Documents or the Transactions (e) the occurrence of any event of which it is aware that causes any representation or warranty of the Notifying Party contained in this Agreement to be untrue or inaccurate at or prior to the Closing, or (f) any failure of the Notifying Party to comply, in all material respects, with any of the Notifying Party’s covenants, obligations, or agreements contained in this Agreement. Notwithstanding anything in this Agreement to the contrary, the delivery of any notice by the Notifying Party and the information or knowledge obtained by the Notified Party pursuant to this Section 5.3 will not (i) affect or modify, or be deemed to affect or modify, any representation, warranty, covenant, obligation, or agreement contained in this Agreement, the conditions to the obligations of the Parties to consummate the Closing in ARTICLE VII, or otherwise prejudice in any way the rights and remedies of the Notified Party under this Agreement (ii) affect or modify, or be deemed to affect or modify, the Notified Party’s reliance on the representations, warranties, covenants, obligations, and agreements made by the Notifying Party in this Agreement, or (iii) amend or supplement, or be deemed to amend or supplement, the Schedules or prevent or cure any misrepresentation, breach of warranty, or breach of covenant, obligation, or agreement by the Notifying Party.

5.4 Notices, Consents, and Filings.

(a) During the Executory Period, Sellers shall use their commercially reasonable efforts to cooperate with Buyer to obtain all Consents and Governmental Authorizations that are or become required pursuant to the Sale Order in connection with the execution, delivery, and performance of this Agreement or any of the other Transaction Documents to which a Seller is a party and the consummation and performance of the Transactions. These Consents include, but are not limited to, the Consent (if required) from any Outbound License Agreement (as listed in Annex D).

(b) During the Executory Period, each of the Parties shall use commercially reasonable efforts to coordinate and cooperate with the other Parties in exchanging information related to such Filings and providing assistance as such other Party reasonably requests in connection with such Filings. Each Party shall supply as promptly as reasonably practicable to the appropriate Governmental Authority any additional information and documentary material that is requested by such Governmental Authority in connection with such Filings.

(c) To the fullest extent permitted by applicable Legal Requirements, the Parties shall jointly agree upon the form of the notices, Consents, and Filings contemplated by this Section 5.4, and shall promptly provide the other Party with copies of all such notices, Consents, and Filings.

5.5 Monthly Financial Statements. During the Executory Period, Sellers shall deliver to Buyer copies of all financial reporting delivered to Sellers' senior secured lenders in connection with the Bankruptcy Cases, and to the extent not already delivered, within 30 Business Days after the end of each fiscal month, a copy of the unaudited consolidated monthly financial statements of Sellers as of the end of such month and for the fiscal period then ended (collectively, the "Monthly Financial Statements"), prepared in accordance with applicable Legal Requirements, the books and records of Sellers, the historic accounting practices of Sellers, and GAAP applied on a consistent basis throughout the periods covered by the Monthly Financial Statements.

5.6 Intentionally Omitted

5.7 Loss Proceeds. Notwithstanding anything in this Agreement to the contrary, if, prior to the Closing, any of the Purchased Assets or Designated Assets, or any other Assets of any Seller that, but for any such taking, sale, destruction, or condemnation, would have been a Purchased Asset or Designated Asset, is taken by eminent domain (or is sold in lieu thereof), is the subject of a pending taking, or is destroyed or condemned, then Sellers shall give Buyer prompt written notice of any such event. With regard to any of the Purchased Assets or Designated Assets, or any other Assets of any Seller that, but for any taking, sale, destruction, or condemnation, would have been a Purchased Asset or Designated Asset, no Seller shall (a) settle or compromise or agree to any settlement or compromise of any insurance proceeds or condemnation claim or award ("Loss Proceeds") or (b) use the Loss Proceeds for any purpose (including the restoration or repair of such Assets), in each such case, without the prior written consent of Buyer (such consent not to be unreasonably withheld, conditioned or delayed). Subject to the foregoing sentence, each Seller shall reserve all Loss Proceeds in a segregated account and not commingle any Loss Proceeds with other funds and all such Loss Proceeds will be deemed a Purchased Asset or Designated Asset and the property of Buyer following the Closing without the payment of any additional consideration therefor.

5.8 Commercially Reasonable Efforts. Subject to the terms of this Agreement and except where a lesser standard is expressly set forth in this Agreement, each Party shall use such Party's

commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or desirable under applicable Legal Requirements to consummate the Transactions and to cause all of the conditions precedent to each other Party's obligations set forth in ARTICLE VII to be satisfied.

ARTICLE VI
ADDITIONAL COVENANTS AND AGREEMENTS

6.1 Employee Matters.

(a) No later than twenty (20) Business Days prior to the Sale Termination Date (as defined in the Agency Agreement), Sellers shall deliver to Buyer an updated, accurate, and complete Business Employee List, as current as reasonably practicable. Buyer shall have the right (but not the obligation) for a period of twenty (20) Business Days following the Sale Termination Date (as defined in the Agency Agreement), to offer employment to any or all Business Employees (including those on approved leave of absence or disability) on such terms and basis as Buyer shall elect in its sole discretion. Sellers shall cooperate with Buyer to allow Buyer to contact, interview and, in Buyer's sole discretion, make offers of employment to Business Employees, and shall provide Buyer with reasonable access to employment records required by Buyer which Seller may lawfully provide to Buyer.

(b) For purposes of this Section 6.1, any individual who becomes employed by Buyer or an Affiliate of Buyer in accordance with this Section 6.1 is referred to as a "Hired Employee." After the date of this Agreement and for a period of thirty (30) days after the Sale Term (as defined in the Agency Agreement), Sellers shall, and shall cause their respective Affiliates to, reasonably cooperate with Buyer in connection with the onboarding and transition of the Hired Employees to Buyer, including the provision by Seller to Buyer of all necessary or appropriate documents, records, materials, accounting files and Tax information with respect to each Hired Employee that Sellers lawfully can provide.

(c) Sellers shall perform all employee related obligations with respect to the Hired Employees through the Closing, including: paying all compensation earned through Closing; satisfying all of such Seller's obligations to such employees or former employees on account of their employment or former employment by such Seller; and performing any obligations required by the FLSA, the Equal Pay Act, applicable wage and hour Legal Requirements, or any other applicable Legal Requirements. On the Sale Termination Date (as defined in the Agency Agreement), Seller shall terminate the employment of each Hired Employee (if any) and Buyer shall commence its employment of such Hired Employee. Seller shall remain solely responsible for any and all Liabilities that could arise under the WARN Act or similar Legal Requirements as a result of or relating to this Agreement, to the Transactions, or in connection with any employment losses occurring on or prior to the Closing Date, and Seller shall take all actions that are necessary or proper to comply with the WARN Act.

(d) Buyer shall have no Liability for accrued wages (including salaries and commissions), severance benefits, vacation pay or any other paid-time-off, COBRA, pension and profit sharing contributions, benefits under any Benefit Plan or other forms of benefits of any type or nature on account of said employees' employment by the applicable Seller, all of which are deemed Excluded Liabilities. Nothing in this Section 6.1 or the

Agreement shall be construed to hold Buyer liable for any Liabilities of Sellers other than the Assumed Liabilities expressly assumed by Buyer.

(e) Each Seller consents to the hiring of the Hired Employees by Buyer and waives (on behalf of itself and its Affiliates) with respect to the employment of the Hired Employees by Buyer or any of its Affiliates, all claims and rights such Seller or its Affiliates have under any non-competition, confidentiality, non-solicitation or similar restrictive covenants with the Hired Employees (other than with respect to an Assigned Contract).

(f) Notwithstanding the provisions of this Section 6.1 or any provision of this Agreement to the contrary, nothing in this Section 6.1 or the Agreement is intended to and shall not (i) create any third party rights, (ii) amend any Benefit Plan or arrangement, (iii) require Buyer or any of its Affiliates or any Seller or any of their respective Affiliates to continue any Benefit Plan or arrangement beyond the time when it otherwise lawfully could be terminated or modified or as otherwise required herein or (iv) provide any Business Employee, any Hired Employee, or any other employee or former employee of any Seller with any rights to continued employment. Buyer and its Affiliates expressly reserve the right to terminate the employment of any Hired Employee (or amend the terms and conditions of employment of any Hired Employee) for any reason at any time, including without cause.

6.2 Taxes; Bulk Sales.

(a) Each Seller shall pay, prior to delinquency, all personal property and real property Taxes in respect of all of such Seller's Assets, including the Purchased Assets or Designated Assets, for any Pre-Closing Tax Period. In addition, all personal property, real property, ad valorem, and other similar Taxes (other than income Taxes) levied with respect to the Purchased Assets or Designated Assets for a Straddle Period will be apportioned between Sellers, on the one hand, and Buyer, on the other hand, based on the number of days included in such Straddle Period through and including the Closing Date and the number of days included in such Straddle Period after the Closing Date, respectively. If the amounts of such personal property and real property Taxes for the Straddle Period are not known by the Closing Date, then the personal property or real property Tax amounts from the prior year will be deemed to be the proper amount to be used for the proration of the amounts due for the Straddle Period (no adjustment will be made if the ultimate amount of personal property or real property Taxes is more or less than the amount based on the prior year's Taxes).

(b) To the extent not otherwise addressed by this Agreement, Buyer, on the one hand, and Sellers, on the other hand, shall prorate (as of the Effective Time), if applicable, all water, sewage disposal, gas, telephone, electric, and other utility charges, real property lease payments, personal property lease payments, and all other income and expenses with respect to the Business, the Purchased Assets, the Designated Assets, or the Assumed Liabilities that are normally prorated upon the sale of Assets of a going concern.

(c) Notwithstanding anything in this Agreement to the contrary, Sellers shall timely make, or cause to be timely made, all Filings, including filing appropriate Tax Returns, and take, or cause to be taken, all other actions under applicable transfer notification Legal

Requirements and all applicable Legal Requirements relating to Taxes, including Transfer Taxes, that are required to be made or taken by any Seller in connection with or as a result of the Transactions, including timely paying such Taxes, including Transfer Taxes; provided that Sellers shall permit Buyer to review each such Filing, including Tax Returns, prior to finalizing and filing each such Filing, including Tax Returns. All Transfer Taxes, if any, arising in connection with, or as a result of, the Transactions will be borne by and timely paid by Sellers, jointly and severally, regardless of the Person on whom such Transfer Taxes are imposed by any Legal Requirement.

(d) The Parties agree that all Liabilities arising out of the failure of any Seller to comply with the requirements and provisions of any bulk sales, bulk transfer, or similar Legal Requirements are Excluded Liabilities.

6.3 Misdirected Payments. From and after the Closing, if any Seller or any of its Affiliates receives or collects any funds relating to any of the Purchased Assets or Designated Assets or any accounts or notes receivable owned by (or otherwise payable to) Buyer, then such Seller shall, and shall cause its Affiliates to, remit such funds to Buyer within ten Business Days after receipt of such funds. From and after the Closing, if Buyer or any of its Affiliates receives or collects any funds relating to any of the Excluded Assets, then Buyer shall, and shall cause its Affiliates to, remit such funds to Sellers within ten Business Days after receipt of such funds.

6.4 Books and Records.

(a) To facilitate the resolution of any claims made by or against or incurred by any Seller prior to the Closing, or for any other reasonable purpose, for as long as the Agency Agreement is in effect, Buyer shall (i) retain copies of all material books, records, and documents included within the Purchased Assets that relate to the Business and its operations for periods prior to the Closing, and (ii) upon reasonable advance written notice, afford such Seller's Representatives with reasonable access (including the right to make, at such Seller's expense, photocopies), during normal business hours and in a manner that does not unreasonably interfere with the businesses and operations of Buyer and Buyer's Affiliates, to such books, records, and documents.

(b) To facilitate the resolution of any claims made by or against or incurred by Buyer after the Closing, or for any other reasonable purpose, for so long as the Agency Agreement is in effect, to the extent such books, records and documents remain within the control of Sellers, Sellers shall (i) retain copies of all material books, records, and documents not included within the Purchased Assets that relate to the Business and its operations for periods prior to the Closing, and (ii) upon reasonable advance written notice, afford Buyer's Representatives with reasonable access (including the right to make, at Buyer's expense, photocopies), during normal business hours and in a manner that does not unreasonably interfere with the businesses and operations of Sellers and their respective Affiliates, to such books, records, and documents.

(c) Notwithstanding anything in this Agreement to the contrary, (i) no Party is obligated to provide any other Party with access to any books, records, or documents pursuant to this Section 6.4, if such access would destroy or waive any legal privilege or be in violation of any applicable Legal Requirement or Contract, and (ii) if the Parties are in an adversarial relationship in any Proceeding, the furnishing of any books, records, or

documents pursuant to this Section 6.4 will be subject to applicable rules relating to discovery.

6.5 Confidentiality.

(a) For a period of five years following the Closing, Sellers shall ensure that no confidential or proprietary information concerning the Business that any Seller, any of such Seller's Affiliates, or any of the Representatives of any of the foregoing (collectively, the "Non-Disclosure Persons") possess, whether in written, verbal, graphic, or other form, is published, disclosed, or made accessible by any of the Non-Disclosure Persons to any other Person at any time or used by any of the Non-Disclosure Persons without the prior written consent of Buyer (such consent to be given in Buyer's sole discretion); provided, however, that the restrictions of this Section 6.5(a) do not apply to the extent such disclosure is otherwise required by applicable Legal Requirements, including in the context of the Bankruptcy Cases. Notwithstanding the foregoing, pursuant to 18 U.S.C. Section 1833(b), Sellers will not be held criminally or civilly liable under any federal or state trade secret Legal Requirement for the disclosure of a trade secret that is made: (A) in confidence to a federal, state, or local Governmental Authority, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of a Legal Requirement; or (B) in a complaint or other Filing filed in a lawsuit or other Proceeding, if such document is made under seal. Further, if any Non-Disclosure Person, as applicable, files a lawsuit for retaliation by an employer for reporting a suspected violation of a Legal Requirement, such Non-Disclosure Person is permitted to disclose the trade secret to the attorney of such Non-Disclosure Person and use the trade secret information in the court proceeding, if such Non-Disclosure Person files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order. Nothing in this Agreement, including this Section 6.5(a), is intended to limit or will be used in any way to limit any of the Non-Disclosure Persons' rights to communicate or cooperate with, or provide information to, any Governmental Authority, as provided for, protected under, or warranted by applicable Legal Requirements.

(b) Sellers shall assign, or cause to be assigned, to Buyer all confidentiality, nondisclosure, and other similar Contracts with each other potential buyer of any Seller, the Business, or the Purchased Assets (each, a "Bidder Confidentiality Agreement"). Sellers shall send a letter in form and substance reasonably acceptable to Buyer to the other parties to such Bidder Confidentiality Agreements authorizing Buyer to recover all confidential or proprietary information or requesting certification of its destruction to Buyer, in each case, in accordance with the terms of such Bidder Confidentiality Agreements. Sellers shall assign, or cause to be assigned, to Buyer all confidentiality, Sellers shall send a letter in form and substance reasonably acceptable to Buyer to the other parties to such Bidder Confidentiality Agreements authorizing Buyer to recover all confidential or proprietary information or requesting certification of its destruction to Buyer, in each case, in accordance with the terms of such Bidder Confidentiality Agreements. Notwithstanding anything in the Confidentiality Agreement or the Letter of Intent to the contrary, Sellers agree that, immediately and automatically upon the Closing, none of Buyer or any of Buyer's Affiliates, or any of their respective Representatives, will have any further obligations to Sellers or any of their respective Affiliates or Representatives under, or be subject to the restrictions in, the Confidentiality Agreement or the Letter of Intent

6.6 Insurance. Through the Closing, Sellers shall maintain (including necessary renewals

thereof) insurance policies against risk and Liabilities to the extent and in the manner and at the levels heretofore maintained by Sellers with respect to the Business and the Assets.

6.7 Intentionally Omitted.

6.8 Seller Names. On the Closing Date, Sellers shall, and shall cause their respective Affiliates to, amend their respective Constitutive Documents, Governance Documents, and registrations to do business so as to change their respective company name to a name that does not include the company name “Salt Life” or any derivation or variation thereof (collectively, the “Salt Life Names”). Following the Closing Date and for a period of 3 months thereafter, each Seller shall cooperate with Buyer in making the Salt Life Names available to Buyer in each jurisdiction in which any Seller conducted the Business prior to Closing. From and after the Closing Date, none of Sellers shall use, and Sellers shall not allow any of their respective Affiliates to use, any of the Salt Life Names.

6.9 Seller Affiliates. Following the Closing, to the extent that an Affiliate of any Seller which is not a Party to this Agreement owns any interest in, or has possession or control of, any of the Purchased Assets, Sellers shall cause such Affiliate to take commercially reasonable actions necessary to carry out the transfer of title to any Purchased Asset owned by such Affiliate to Buyer, and delivery physical possession and control of such Purchased Assets to Buyer, for no additional consideration.

6.10 Further Assurances. Following the Closing, the Parties shall reasonably cooperate with each other and with their respective Representatives in connection with any steps required to be taken as part of their respective obligations under this Agreement, and the Parties agree (a) to furnish upon request to the other Parties such further information, (b) to execute and deliver to each other Party such other documents, and (c) to do such other acts and things, all as the other Parties reasonably request, for the purpose of carrying out the intent of this Agreement and the Transactions. In addition, without limiting the generality of the foregoing, Sellers shall, and shall cause their respective Representatives to, cooperate with Buyer, as reasonably requested by Buyer, in connection with any updates to the legal or equitable ownership records with respect to any registrations (or applications for registration) of Seller IP Rights to reflect Buyer or its designee as the holder of the same.

6.11 Agency Agreement. Following the Closing, Sellers will maintain all existing agreements, obligations and personnel as shall be necessary to comply with the terms and conditions of the Agency Agreement.

ARTICLE VII
CONDITIONS TO CLOSING

7.1 Conditions to Obligations of the Parties. The obligation of each Party to consummate the Transactions is subject to the satisfaction (or, where legally permissible, waiver by such Party in writing), at or prior to the Closing, of each of the following conditions:

- (a) no Governmental Authority has enacted, issued, promulgated, enforced, or entered any Legal Requirement that is in effect and has the effect of restraining or prohibiting the consummation and performance of the Transactions, otherwise making the Transactions illegal, or causing any of the Transactions to be rescinded following the Closing;
- (b) no Proceeding has been commenced or threatened that if adversely decided would have the effect of restraining or prohibiting the consummation and performance of the Transactions, otherwise making the Transactions illegal, or causing any of the Transactions to be rescinded following the Closing; and

- (c) The concurrent or simultaneous Closing by both Iconix and Hilco.

7.2 Conditions to Obligations of Buyer. The obligation of Buyer to consummate the Transactions is subject to the satisfaction (or, where legally permissible, waiver by the applicable Buyer in writing), at or prior to the Closing, of each of the following conditions:

- (a) the Bankruptcy Court must have entered the Sale Order, and as of the Closing, the Sale Order must be in full force and effect, must not then be stayed, and must not have been vacated or reversed;
- (b) each of the representations and warranties contained in ARTICLE III (other than the Seller Fundamental Representations and the representations and warranties contained in Section 3.3(a)) that does not contain an express materiality or material adverse effect qualification must be true and correct in all material respects as of the Closing with the same effect as though made at and as of the Closing (except those representations and warranties that address matters only as of a specified date, which must be true and correct in all material respects as of that specified date). Each of the representations and warranties contained in ARTICLE III (other than the Seller Fundamental Representations and the representations and warranties contained in Section 3.3(a)) that contains an express materiality or material adverse effect qualification must be true and correct in all respects as of the Closing with the same effect as though made at and as of the Closing (except those representations and warranties that address matters only as of a specified date, which must be true and correct in all respects as of that specified date). Each of the Seller Fundamental Representations and the representations and warranties contained in Section 3.3(a) must be true and correct in all respects as of the Closing with the same effect as though made at and as of the Closing (except those representations and warranties that address matters only as of a specified date, which must be true and correct in all respects as of that specified date);
- (c) a Seller Material Adverse Effect must not have occurred since the Execution Date;
- (d) each Party must have performed and complied in all material respects with all of the covenants, obligations, and agreements that such Party is required to perform or to comply with pursuant to this Agreement at or prior to the Closing. For the avoidance of doubt, the Closing for each Buyer shall be deemed to occur only upon the mutual satisfaction (or, where legally permissible, waiver by the applicable Buyer in writing) of all conditions applicable to both Buyer as set forth in this Section 7.2;
- (e) Sellers must have delivered, or caused to be delivered, the Seller Closing Documents in accordance with Section 2.4(a); and
- (f) each Buyer must have obtained all Governmental Authorizations necessary to own, operate, and use the Purchased Assets and conduct the Business.

7.3 Conditions to Obligations of Sellers. The obligations of Sellers to consummate the Transactions are subject to the satisfaction (or, where legally permissible, waiver by Sellers in writing), at or prior to the Closing, of each of the following conditions:

- (a) each of the representations and warranties contained in ARTICLE IV (other than the Buyer Fundamental Representations) that does not contain an express materiality or material adverse effect qualification must be true and correct in all material respects as of

the Closing with the same effect as though made at and as of the Closing (except those representations and warranties that address matters only as of a specified date, which must be true and correct in all material respects as of that specified date). Each of the representations and warranties contained in ARTICLE IV (other than the Buyer Fundamental Representations) that contains an express materiality or material adverse effect qualification must be true and correct in all respects as of the Closing with the same effect as though made at and as of the Closing (except those representations and warranties that address matters only as of a specified date, which must be true and correct in all respects as of that specified date). Each of the Buyer Fundamental Representations must be true and correct in all respects as of the Closing with the same effect as though made at and as of the Closing (except those representations and warranties that address matters only as of a specified date, which must be true and correct in all respects as of that specified date);

(b) Buyer must have performed and complied in all material respects with all of the covenants, obligations, and agreements that Buyer is required to perform or to comply with pursuant to this Agreement at or prior to the Closing; and

(c) Buyer must have delivered, or caused to be delivered, the Buyer Closing Documents in accordance with Section 2.4(b).

ARTICLE VIII BANKRUPTCY COURT MATTERS

8.1 Sale Motion and Bid Procedures.

(a) Sellers shall take the following actions, or shall cause them to occur: (a) As soon as practicable after the mutual execution of this Agreement and commencement of the Bankruptcy Cases, but in no event later than three Business Days after the Auction, Sellers will file a motion with the Bankruptcy Court for entry of the Sales Order, in form and substance reasonably acceptable to Buyer, approving the Transactions and this Agreement.

(b) The Sales Order shall, *inter alia*, approve the execution, delivery, and performance of this Agreement by Sellers.

(c) If Buyer is the Successful Bidder (as defined in the Bid Procedures Order) at the Auction, then Sellers shall use their best efforts to cause the Closing to occur on or before September 20, 2024 (the "Outside Date"), or such other later date as is mutually agreed by Buyer and Sellers in a writing dated prior to the Outside Date. If, through no fault of Buyer, the Closing does not occur on or before the Outside Date, as it may be extended by mutual Agreement, Buyer shall have no obligation to Close the Transactions and will be entitled to an immediate return of its Good Faith Deposit.

(d) If Buyer is not the Successful Bidder (as defined in the Bid Procedures) at the Auction, but is the next highest bidder at the Auction, Buyer shall serve as the back-up bidder (the "Back-Up Bidder"). If Buyer is the Back-Up Bidder, Buyer's bid to consummate the Transactions on the terms and conditions set forth in this Agreement shall remain open and irrevocable until the earliest to occur of (i) October 1, 2024, (ii) consummation of a sale transaction with the Successful Bidder, and (iii) Sellers' release of Buyer from the requirement to serve as a Back-Up Bidder. If a transaction with the

Successful Bidder fails to close as a result of a breach or failure to perform on the part of such Successful Bidder, Buyer, as the Back-up Bidder, will be deemed to have the new prevailing bid, and Sellers may consummate the Transactions with Buyer on the terms and conditions set forth in this Agreement. Notwithstanding anything to the contrary herein, in the event the Buyer is designated as the Back-Up Bidder, the “Outside Date” shall mean for all purposes in this Agreement the latest date by which the Buyer’s Back-Up Bid pursuant to this Agreement is required to close as provided in the Bid Procedures Order, provided however, that in no circumstances shall the Outside Date be later than October 1, 2024. If Buyer is not the Successful Bidder or the Back-Up Bidder at the Auction, Buyer shall have no obligation to Close the Transactions and will be entitled to an immediate return of its Good Faith Deposit.

- (e) Notwithstanding the foregoing, nothing contained in this Article VIII shall obligate Sellers to undertake any action that would constitute a violation of any fiduciary duties as debtor in possession or otherwise cause Sellers to be unable to satisfy their respective obligations under the Bankruptcy Code, applicable bankruptcy rules and procedures or other applicable Legal Requirements.

8.2 Bid Procedures are Material Consideration to Buyer. Each and every provision of the Bid Procedures constitute material consideration for Buyer under this Agreement. The Parties acknowledge that Buyer would not have entered into this Agreement without each and every provision within the Bid Procedures. In the event the Court does not approve, or materially modifies, the Bid Procedures, or a Closing does not occur on or before the Outside Date, Buyer may terminate this Agreement pursuant to Section 9.1(b) or 9.1(d) hereof.

8.3 Bankruptcy Filings; Proceedings.

- (a) Sellers shall (i) undertake best efforts to obtain entry of the Sale Order and any other Orders reasonably necessary to consummate the Transactions, and (ii) timely take all actions required by the Bankruptcy Code and Federal Rules of Bankruptcy Procedure, including the extension of any time period under Section 365 of the Bankruptcy Code, necessary to permit Sellers to consummate the Transactions by the Closing Date. In the event the entry of the Sale Order or any other Orders reasonably necessary to consummate the Transactions are appealed, Sellers shall use commercially reasonable efforts to defend such appeal.

- (b) As evidence of its “good faith” under Section 363(m) of the Bankruptcy Code, Buyer shall cooperate with Sellers and take such actions as are reasonably requested by Sellers in connection with the Transactions, including (i) assisting in obtaining entry of the Sale Order and any other Orders reasonably necessary to consummate the Transactions, (ii) appearing formally or informally in the Bankruptcy Court if reasonably requested by Sellers or required by the Bankruptcy Court in connection with the Transactions, (iii) providing adequate assurances of future performance by Buyer or its designee under any Assigned Contracts, as required, and (iv) reasonably demonstrating Buyer’s ability to satisfy its obligations under this Agreement and in connection with the Transactions.

- (c) Sellers shall (i) deliver or cause to be delivered to Buyer for review and comment, as soon as commercially reasonable and in any event not less than one (1) Business Day prior to the filing thereof, all documents to be filed on behalf of Sellers with the Bankruptcy Court, including all motions, applications, petitions, schedules and supporting papers prepared by Sellers (including forms of orders and notices to interested parties) that relate

to, or that may affect, the Purchased Assets, Designated Assets or the Transactions and (ii) consult with Buyer regarding, and use reasonable best efforts to incorporate, Buyer's reasonable comments to such motions, applications, petitions, schedules and supporting papers prior to the filing thereof.

(d) Sellers shall comply with all notice requirements (i) of the Bankruptcy Code and the Bankruptcy Rules or (ii) imposed by the Sale Order, in each case, in connection with any pleading, notice or motion to be filed in connection herewith, and shall comply with all Orders of the Bankruptcy Court related to the sale of the Purchased Assets and Designated Assets. Sellers and Buyer will use commercially reasonable efforts to obtain or transfer to Buyer, as applicable, any third-party consents, authorizations, permits or licenses related to the Purchased Assets or Designated Assets as are necessary and appropriate to consummate the Transactions.

(e) Buyer reserves the right to approve the form of any Sale Order submitted to the Bankruptcy Court in Buyer's reasonable discretion; however, at a minimum, the Sale Order shall, among other things, pursuant to Sections 105, 363 and 365 of the Bankruptcy Code:

- (i) approve Sellers' execution, delivery and performance of this Agreement and all related Transactions;
- (ii) approve the sale and transfer of the Purchased Assets and Designated Assets to Buyer (or its designee) and find that the transfer of the Purchased Assets and Designated Assets is legal, valid and enforceable and vests Buyer (or its designee) with valid title to the Purchased Assets and Designated Assets, free and clear of all Liabilities (except Assumed Liabilities) and Encumbrances (except for Permitted Post-Closing Encumbrances);
- (iii) authorize Buyer (or its designee) to record or file, if desired in its discretion to evidence its valid, clear title to the Purchased Assets and Designated Assets, terminations or cancellations of any recorded Encumbrances (except for Permitted Post-Closing Encumbrances) against the Purchased Assets or Designated Assets not duly recorded or filed by the Sellers or the record holders of such Encumbrances, including UCC-3 termination statements, and to require secured parties or lienholders, where required by applicable non-bankruptcy Legal Requirements or requested by Buyer, to execute documents of release, cancellation or satisfaction prepared by Buyer, to be filed by Buyer to clear any Encumbrances of record (other than Permitted Post-Closing Encumbrances) from the Purchased Assets or Designated Assets;
- (iv) find that, subject to payment by Buyer of any Cure Costs, Sellers are empowered to assume and assign to Buyer (or its designee) the Assigned Contracts, and that Buyer (or its designee) is the valid and lawful assignee and transferee of the Assigned Contracts and has all rights and interests in the Assigned Contracts and the ability to enforce such rights and interests;
- (v) find that Buyer (or its designee) has demonstrated and established adequate assurance (as that term is used in Section 365 of the Bankruptcy Code) of future performance with respect to the Assigned Contracts;

- (vi) find that the Purchase Price and other consideration provided by Buyer, including the payment of Cure Costs and the Assumed Liabilities, constitutes reasonably equivalent value of, and fair consideration for, the Purchased Assets and Designated Assets;
- (vii) find that Buyer (or its designee) is a good faith buyer of the Purchased Assets and Designated Assets and entitled to the protections of Section 363(m) of the Bankruptcy Code;
- (viii) find that Sellers gave good and sufficient notice of the sale and the assumption and assignment of the Assigned Contracts to all Persons affected thereby, with full disclosure of associated Cure Costs;
- (ix) find that Buyer has not assumed, and has no responsibility or liability whatsoever for, any of Sellers' Liabilities other than any Assumed Liabilities, whether known or unknown as of the Closing, whether fixed or contingent, or whether existing at the time of or arising after the Closing, including successor or vicarious Liabilities of any kind or character, arising under, without limitation, any theories of antitrust, environmental, alter ego, successor or transferee liability, Legal Requirements related to employment or labor matters, or alleged *de facto* merger or mere or substantial continuation of Sellers. For the avoidance of doubt, Buyer shall have no successor liability under any collective bargaining agreement, Contract with any union or under any pension plan or other employee plan, including any Benefit Plan, under which a Seller or any Affiliate thereof is or was an obligor or a party;
- (x) find that Buyer and Sellers did not engage in any conduct that would allow this Agreement or the Transactions to be set aside pursuant to Section 363(n) of the Bankruptcy Code;
- (xi) provide for the immediate effect of the sale after the Closing;
- (xii) waive the 14-day appeal periods staying the sale contemplated by this Agreement and the assumption and assignment of the Assigned Contracts pursuant to Fed. R. Bankr. P. 6004(h) and 6006(d), respectively;
- (xiii) in the event an appeal is taken from the Sale Order, or a stay pending such appeal is requested, Sellers shall immediately notify Buyer thereof and shall provide Buyer with a copy of the related notice of appeal or request for stay. Sellers shall use their commercially reasonable efforts to defend such appeal or stay request at their own cost and expense and obtain an expedited resolution thereof; and
- (xiv) specifically reserve the Bankruptcy Court's jurisdiction to enforce the Sale Order and this Agreement, as incorporated therein.

ARTICLE IX
TERMINATION

9.1 **Termination Events.** Subject to Section 9.2, the Parties, by written notice given prior to the Closing, are entitled to terminate this Agreement during the Executory Period as follows:

(a) by mutual written agreement of Iconix and Hilco, on the one hand, and Sellers, on the other hand;

(b) by Buyer by written notice to Sellers if (i) the Bankruptcy Cases are dismissed or converted to a case or cases under Chapter 7 of the Bankruptcy Code, or if a trustee or examiner with expanded powers to operate or manage the financial affairs or reorganization of Sellers is appointed in the Bankruptcy Case prior to entry of the Sale Order, (ii) any of the representations or warranties contained in ARTICLE III is inaccurate or any Seller has breached any of such Seller's representations, warranties, covenants, obligations, or agreements set forth in this Agreement, in each case, such that the conditions set forth in Section 7.2 could not be satisfied by the Outside Date and such inaccuracy or breach has not been waived in writing by Buyer or such breach has not been cured by Sellers within ten days after Sellers's receipt of written notice thereof from Buyer, or (iii) any Order has been issued by a court or other competent Governmental Entity restraining, enjoining, or otherwise prohibiting the Transactions and each such Order has become final and non-appealable; except that the right to terminate this Agreement under this Section 9.1(b) will not be available to Buyer if Buyer is then in material breach of this Agreement and such material breach primarily contributed to the occurrence of the event that gave rise to the termination right under this Section 9.1(b);

(c) by Sellers by written notice to Buyer if any of the representations or warranties contained in ARTICLE IV is inaccurate or Buyer has breached any of Buyer's representations, warranties, covenants, obligations, or agreements set forth in this Agreement, in each case, such that the conditions set forth in Section 7.3 could not be satisfied by the Outside Date and such inaccuracy or breach has not been waived in writing by Sellers or such breach has not been cured by Buyer within ten days after Buyer's receipt of written notice thereof from Sellers; provided, however, that Sellers' right to terminate this Agreement under this Section 9.1(c) will not be available to Sellers if any Seller is then in material breach of this Agreement and such material breach primarily contributed to the occurrence of the event that gave rise to the termination right under this Section 9.1(c);

(d) by Buyer (i) if Buyer is selected as the Successful Bidder in accordance with the Bid Procedures Order, if the Closing has not occurred on or before the Outside Date or such later date as Buyer, on the one hand, and Sellers, on the other hand mutually agree upon in writing, except that the right to terminate this Agreement under this Section 9.1(d) will not be available to Buyer if Buyer is then in material breach of this Agreement and such material breach primarily contributed to the occurrence of the event that gave rise to the termination right under this Section 9.1(d), or (ii) if Buyer is selected as the Back-Up Bidder in accordance with the Bid Procedures Order, if the Closing has not occurred on or before October 1, 2024 or such later date as Buyer, on the one hand, and Sellers, on the other hand mutually agree upon in writing, except that the right to terminate this Agreement under this Section 9.1(d) will not be available to Buyer if Buyer is then in material breach of this Agreement and such material breach primarily contributed to the occurrence of the event that gave rise to the termination right under this Section 9.1(d).

(e) by Buyer, if Buyer is not selected as the Bidder or the Back-Up Bidder in accordance with the Bid Procedures Order at the Auction; or

(f) by Sellers if (i) the Bankruptcy Cases are dismissed or converted to a case or cases under Chapter 7 of the Bankruptcy Code, or if a trustee or examiner with expanded powers to operate or manage the financial affairs or reorganization of Sellers is appointed in the Bankruptcy Case prior to entry of the Sale Order, (ii) any Order has been issued by a court or other competent Governmental Entity restraining, enjoining, or otherwise prohibiting the Transactions and each such Order has become final and non-appealable or (iii) the Closing has not occurred on or before the Outside Date or such later date as Buyer, on the one hand, and Sellers, on the other hand, mutually agree upon in writing, except that the right to terminate this Agreement under this Section 9.1(e) will not be available to Sellers if Sellers are then in material breach of this Agreement and such material breach primarily contributed to the occurrence of the event that gave rise to the termination right under this Section 9.1(e).

9.2 Effect of Termination.

(a) If this Agreement is terminated pursuant to Section 9.1, this Agreement will forthwith become void and have no effect, without any Liability on the part of any Party, such Party's Affiliates, or any of the respective Representatives of any of the foregoing, except (i) with respect to any Liability of a Party for fraud, and (ii) that the first sentence of Section 6.6, this Section 9.2, Section 9.3 and ARTICLE X will survive such termination.

(b) Notwithstanding Section 9.2(a), if Sellers terminate this Agreement under Section 9.1(c) after the Good Faith Deposit is delivered to the Escrow Agent, then Buyer and Seller shall, within two (2) Business Days after the date of such termination, deliver Escrow Instructions to the Escrow Agent directing the Escrow Agent to deliver the Good Faith Deposit to Sellers by wire transfer of immediately available funds to the Purchase Price Bank Account. The Parties acknowledge and agree that in the event of a termination of this Agreement by Seller pursuant to Section 9.1(c), payment of the Good Faith Deposit is not a penalty but is liquidated damages in a reasonable amount that will compensate the Sellers in the circumstances in which such fees are payable for the efforts and resources expended and the opportunities forgone while negotiating the Agreement and in reliance on this Agreement and on the expectation of the consummation of the Transactions, which amount would otherwise be impossible to calculate with precision.

(c) Notwithstanding Section 9.2(a), if this Agreement is terminated for any reason other than by Seller under Section 9.1(c) after the Good Faith Deposit is delivered to the Escrow Agent, then Buyer and Seller shall, within two (2) Business Days after the date of such termination, deliver Escrow Instructions to the Escrow Agent directing the Escrow Agent to deliver the Good Faith Deposit to Buyer by wire transfer of immediately available funds to an account designated by Buyer in writing.

9.3 Remedies. Subject to Section 9.2(a) with respect to any willful or intentional breach of this Agreement or fraud, with the exception of specific performance to require a Party to close the Transactions (and not damages), termination of this Agreement pursuant to this ARTICLE IX, and the resulting

disposition of the Good Faith Deposit in accordance with Section 9.2, shall be the exclusive remedy of the Parties for a breach or default by the other Party.

ARTICLE X
GENERAL PROVISIONS

10.1 Expenses. Except as otherwise expressly provided in this Agreement, each Party shall bear such Party's respective expenses incurred in connection with the preparation and execution of the Transaction Documents, and consummation and performance of the Transactions, including all fees and expenses of such Party's Representatives.

10.2 Successors and Assigns; No Third Party Beneficiaries. Subject to the terms of this Section 10.2, this Agreement will apply to, be binding in all respects upon, and inure to the benefit of the successors and permitted assigns of the Parties. No Seller is permitted to assign any of such Seller's rights or delegate any of such Seller's obligations under this Agreement without the prior written consent of Buyer. Buyer is not permitted to assign any of Buyer's rights or delegate any of Buyer's obligations under this Agreement without the prior written consent of Sellers, except that Buyer is permitted to assign any of Buyer's rights and delegate any of Buyer's obligations under this Agreement with respect to designated Acquired Assets. No assignment or delegation will relieve any of the Parties of any of such Party's obligations under this Agreement. Any purported assignment or delegation in violation or breach of this Section 10.2 will be void *ab initio*. Nothing in this Agreement will be construed to give any Person other than the Parties any legal or equitable right under or with respect to this Agreement or any provision of this Agreement, except such rights as will inure to a successor or permitted assignee pursuant to this Section 10.2 and except as contemplated by Section 6.5.

10.3 Notices. All notices, Consents, and other communications between or among the Parties under this Agreement must be in writing and will be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt), (b) sent by electronic mail during regular business hours, or if not during regular business hours, the next Business Day; provided that no "error" message or other similar electronic notification of non-delivery is promptly received by the Party sending such electronic mail, (c) received or refused by the addressee, if sent by certified mail, return receipt requested, or (d) received or refused by the addressee, if sent by a nationally recognized overnight delivery service, return receipt requested, in each case to the appropriate addresses set forth below (or to such other addresses as a Party designates by notice to the other Parties in accordance with this Section 10.3):

If to Buyer:

Iconix International, Inc.
251 Royal Palm Way, Suite 600
Palm Beach, FL 33480
Attn: Kyle Harmon
Electronic Mail: kharmon@iconixbrand.com

and

Hilco Merchant Resources, LLC
5 Revere Drive
Northbrook, IL 60062
Attn: T. Kellan Grant
Electronic Mail: kgrant@hilcoglobal.com

If to Sellers or any particular Seller:

Delta Apparel, Inc.
c/o Focus Management Group, Chief Restructuring Officer
1991 Crocker Road, Suite 600
Cleveland, OH 44145
Attention: Michael Grau
Electronic Mail: m.grau@focusmg.com

with a copy to (which does not constitute notice to any Seller):

Polsinelli PC
150 N. Riverside Plaza
Suite 3000
Chicago, IL 60606
Attention: Jeremy Johnson
Electronic Mail: jeremy.johnson@polsinelli.com

10.4 Entire Agreement; Modification. This Agreement and the other Transaction Documents constitute the final, complete, entire, and exclusive agreement among the Parties and supersede all prior agreements and understandings (including the Letter of Intent, but excluding, subject to Section 6.5(c), the Confidentiality Agreement), whether written or oral, among the Parties with respect to the subject matter hereof. Any amendment of this Agreement must be pursuant to a written agreement signed by the Parties. No course of dealing between or among any Persons having any interest in this Agreement will be deemed effective to modify, amend, or discharge any part of this Agreement or any rights or obligations of any Person under or by reason of this Agreement.

10.5 Waiver. No waiver of any provisions of this Agreement by any Party will be effective unless explicitly set out in writing by such Party granting such waiver. Neither the failure nor any delay by any of the Parties in exercising any right under this Agreement will operate as a waiver of such right, and no single or partial exercise of any such right will preclude any other or further exercise of such right or the exercise of any other right. No waiver of any of the provisions of this Agreement will be deemed or will constitute a waiver of any other provisions of this Agreement, whether or not similar, nor will any waiver constitute a continuing waiver. No waiver of any condition based on the accuracy of any representation or warranty, or based on the performance of or compliance with any covenant or obligation, will affect the right to indemnification, reimbursement, or other remedy based on such representation, warranty, covenant, obligation, or agreement.

10.6 Severability. Any term or provision of this Agreement that is invalid or unenforceable in any jurisdiction will be, as to that jurisdiction, ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms or provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. Upon such determination that any term or provision of this Agreement is invalid or unenforceable, the Parties shall negotiate in good faith to modify this Agreement so as to give effect to the original intent of the Parties as closely as possible in a mutually acceptable manner so that the Transactions be consummated as originally contemplated to the greatest extent possible.

10.7 Governing Law; Venue; Waiver of Jury Trial.

(a) This Agreement, as well as all matters in dispute among the Parties, whether arising from or relating to this Agreement or arising from or relating to alleged extra-contractual facts prior to, during, or subsequent to this Agreement, including fraud, misrepresentation, negligence, or any other alleged tort or violation of this Agreement, regardless of the legal theory upon which such matter is asserted, will be governed by, construed under, and enforced in accordance with the Legal Requirements of the State of Delaware (explicitly including the Delaware statute of limitations) without regard to any choice of laws or conflicts of laws provisions, rules, or principles that would require the application of any other Legal Requirements.

(b) Except as set forth in Section 2.2(c) or Section 2.5, any dispute, controversy, or question of interpretation arising under, out of, in connection with or in relation to this Agreement or any amendments hereof, or any breach or default hereunder, shall be litigated exclusively in the Court of Chancery of the State of Delaware and the appellate courts having jurisdiction of appeals in such court or, if none of the foregoing courts has subject matter jurisdiction, then the United States District Court for the District of Delaware and the appellate courts having jurisdiction of appeals in such court or, if none of the foregoing courts has subject matter jurisdiction, then the Superior Court of the State of Delaware and the appellate courts having jurisdiction of appeals in such court. Each of the Parties hereby irrevocably consents and submits to the exclusive jurisdiction and venue of any such court and each of the Parties hereby irrevocably waives all objections and defenses that such Party may have based on improper venue or forum non conveniens to the maintenance of any such action in any such court.

(c) THE PARTIES HEREBY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY PROCEEDING ARISING OUT OF OR IN ANY WAY PERTAINING TO THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS, OR THE TRANSACTIONS, WHETHER NOW OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE. ANY PARTY IS PERMITTED TO FILE A COPY OF THIS SECTION 10.7(c) WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY, AND BARGAINED FOR AGREEMENT AMONG THE PARTIES TO IRREVOCABLY WAIVE TRIAL BY JURY, AND THAT ANY PROCEEDING WHATSOEVER AMONG THE PARTIES RELATING TO THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS, OR THE TRANSACTIONS IS INSTEAD TO BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

10.8 Enforcement of Agreement; Remedies. The Parties agree that each Party would be damaged irreparably in the event any of the provisions of this Agreement is not performed in accordance with its specific terms and that any breach of this Agreement by any Party could not be adequately compensated by monetary damages. Accordingly, each Party agrees that, in addition to any other right or remedy to which a Party is entitled, at law or in equity, each Party is entitled to enforce any provision of this Agreement by a decree of specific performance and to temporary, preliminary, and permanent injunctive relief to prevent breaches or threatened breaches of the provisions of this Agreement. The rights and remedies of the Parties are cumulative and not alternative.

10.9 No Personal Liability. No individual officer, director, employee, manager, agent, or representative shall have personal liability for any of the obligations hereunder or claims of any kind in connection herewith.

10.10 Counterparts; Execution of Agreement. The Parties are permitted to execute this Agreement in two or more counterparts, each of such counterparts is deemed to be an original copy of this Agreement and all of which, when taken together, are deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile, electronic mail, or other means of electronic transmission (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com and www.simplyagree.com) constitutes effective execution and delivery of this Agreement as to the Parties. Signatures of the Parties transmitted by facsimile, electronic mail, or other means of electronic transmission (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com and www.simplyagree.com) are deemed to be their original signatures for all purposes.

10.11 Rules of Construction.

(a) Except as otherwise explicitly specified in this Agreement to the contrary, (i) references to an Article, Section, Schedule, Annex, or Exhibit mean an Article or Section of, or Schedule, Annex, or Exhibit to, this Agreement, unless another agreement is specified, (ii) the word “including” will be construed as “including, without limitation” and will not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it, (iii) the words “to the extent” mean the degree to which and not simply “if,” (iv) the words “herein,” “hereof,” “hereby,” “hereto” and “hereunder” refer to this Agreement as a whole, (v) words in the singular or plural form include the plural and singular form, respectively, (vi) pronouns are deemed to refer to the masculine, feminine, or neuter, as the identity of the Person or Persons requires, (vii) the words “asset” and “property” will be construed to have the same meaning and effect and to refer to all tangible and intangible assets and properties, including cash, securities, accounts, contract rights, and real and personal property, (viii) references to a particular Person include such Person’s successors and permitted assigns, (ix) references to a particular statute, rule, or regulation include all rules and regulations thereunder and any predecessor or successor statutes, rules, or regulations, in each case as amended or otherwise modified from time to time, (x) references to a particular Contract, document, instrument, or certificate mean such Contract, document, instrument, or certificate as amended, supplemented, or otherwise modified from time to time if permitted by the provisions thereof, (xi) references to “Dollars” or “\$” are references to United States Dollars, (xii) an accounting term not otherwise defined in this Agreement has the meaning ascribed to such term in accordance with GAAP, (xiii) references to “written” or “in writing” include electronic form, and (xiv) any reference in this Agreement to a “day” or a number of “days” (without explicit reference to “Business Days”) will be interpreted as a reference to a calendar day or number of calendar days.

(b) The headings of Articles, Sections, Schedules, Annexes, and Exhibits are provided for convenience only and will not affect the construction or interpretation of this Agreement. The Annexes and the Schedules are incorporated into this Agreement to the same extent as though fully set forth in this Agreement.

(c) The Parties respective representations, warranties, covenants, and obligations under this Agreement will terminate at Closing, except solely for those covenants and obligations (such as further assurances) that by their terms are to be performed after the Closing, in which case, such covenants and obligations will survive the Closing in accordance with their respective terms.

(d) If any Annexes, Exhibits, or Schedules that are contemplated hereby but are not attached hereto or are not complete, in each case, as of the date of this Agreement, the Parties shall attach or complete, respectively, such Annexes, Exhibits, and Schedules in form and substance reasonably acceptable to the Parties as soon as reasonably practicable but in any event prior to the Closing. From time to time prior to the Closing, Sellers shall have the obligation to promptly supplement or amend the Schedules in a manner reasonably acceptable to Buyer with respect to any matter hereafter arising or of which it becomes aware after the date hereof (each a “Schedule Supplement”). Each Schedule Supplement that Buyer has consented to in writing prior to the Closing will be deemed to modify the representations and warranties herein for all purposes hereunder.

(e) Each Schedule qualifies only the particular provision of this Agreement that makes explicit reference to such Schedule and no disclosure on any one Schedule will be deemed to be disclosed on any other Schedule, except to the extent that it is reasonably apparent on the face of a particular Schedule that information disclosed in such Schedule is applicable to another Schedule, in which case such other Schedule will be deemed to incorporate by reference such information disclosed on the first referenced Schedule.

(f) Whenever this Agreement indicates that any Seller has “made available” (or any other word or phrase of similar meaning) any information or document to Buyer, such statement is deemed to be a statement that such Seller has posted, or caused to be posted, such information or document to the Virtual Data Room (i) prior to the second (2nd) Business Day immediately prior to the Execution Date or (ii) during the two (2) Business Day period immediately prior to the Execution Date (but in any event, prior to the Execution Date) in response to Buyer identifying or requesting such information or document during such period, and, in each case with respect to clauses (i) and (ii), such information or document was not subsequently removed from the Virtual Data Room prior to the Closing.

(g) If any period for giving notice or taking action under this Agreement expires on a day that is not a Business Day, the time period will be automatically extended to the Business Day immediately following such day. When calculating the period of time before which, within which, or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period will be excluded. Prior drafts of this Agreement or the fact that any provisions have been added, deleted, or otherwise modified from any prior drafts of this Agreement will not be used as an aid of construction or otherwise constitute evidence of the intent of the Parties.

(h) The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties and no presumption or burden of proof will arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

[Signature Page Follows]

As of the Execution Date, each of the Parties, intending to be legally bound, has caused an authorized Representative of such Party to duly execute and deliver this Agreement on behalf of such Party.

BUYERS:

Iconix International, Inc.

By: _____
Name: Kyle Harmon
Title: Authorized Signatory

Hilco Merchant Resources, LLC

By: _____
Name: Ben Nortman
Title: Authorized Signatory

SELLERS:

Delta Apparel, Inc.

By: _____
Name: _____
Title: _____

Salt Life, LLC

By: _____
Name: _____
Title: _____

Annex A

Defined Terms

The following definitions will apply in connection with the interpretation of this Agreement:

“Accepted Cure Costs” means the Cure Costs claimed by a counterparty to an Assigned Contract that are not Disputed Cure Costs.

“Accounting Principles” is defined in Section 2.5(f).

“Accounts Payable” is defined in Section 3.3(b).

“Affiliate” means, with respect to a specified Person, any other Person that directly or indirectly controls, is controlled by, or is under common control with, such specified Person. The term “control” means (a) the possession, directly or indirectly, of the power to vote 51% or more of the securities of a Person having ordinary voting power, (b) the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of a Person, by Contract or otherwise, or (c) being a director, manager, officer, executor, trustee, or fiduciary (or their equivalents) of a Person or a Person that controls such Person.

“Agency Agreement” means the agency agreement substantially in the form of Exhibit D.

“Agreement” is defined in the introductory paragraph of this Agreement.

“Allocation Methodology” is defined in Section 2.2(c).

“Allocation Schedule” is defined in Section 2.2(c).

“Anti-Bribery Laws” means the Foreign Corrupt Practices Act of 1977 and all other similar Legal Requirements.

“A/R” is defined in Section 3.3(b).

“Asset” means any asset or property of any kind, nature, character, or description whatsoever (whether known or unknown, whether real or personal or mixed, and whether tangible or intangible) and wherever situated, including the goodwill related thereto.

“Assigned Contracts” is defined in Section 2.1(d).

“Assumed Liabilities” is defined in Section 2.1(d).

“Bankruptcy Cases” is defined in the recitals to this Agreement.

“Bankruptcy Code” is defined in the recitals to this Agreement.

“Bankruptcy Court” is defined in the recitals to this Agreement.

“Bankruptcy Rules” means the Federal Rules of Bankruptcy Procedure.

“Base Cash Price” means a dollar amount equal to \$35,940,000.

“Benefit Plans” means any deferred compensation, retention, change of control, bonus, incentive compensation, pension, retirement, supplemental retirement, excess benefit, equity purchase, equity option and other equity or equity-based arrangement, phantom equity, equity appreciation right, employment, consulting, severance, health, vacation, time off, supplemental unemployment benefit, hospitalization insurance, medical, dental, vision, prescription drug, disability, life, welfare, legal services, fringe benefit, retiree welfare and any other compensation or employee benefit plan, program, agreement, contract, arrangement or policy, including any “employee benefit plan” (within the meaning of Section 3(3) of ERISA), whether or not subject to ERISA), (i) sponsored, maintained, contributed to, or required to be contributed to, or entered into by any Seller or ERISA Affiliate for the benefit of, or relating to, any current or former director, manager, officer, employee, or independent contractor of any Seller or ERISA Affiliate (or any of their respective beneficiaries), or (ii) under which any Seller or ERISA Affiliate has or could have any present or future Liability.

“Bid Deadline” has the meaning set forth in the Bid Procedures.

“Bid Procedures Order” means that certain *Order (I) Approving Bid Procedures in Connection with the Potential Sale of the Debtors’ Assets, (II) Scheduling an Auction and a Sale Hearing, (III) Approving the Form and Manner of Notice Thereof, (IV) Authorizing the Debtors to Enter Into One or More Stalking Horse Agreements, (V) Approving Bid Protections, (VI) Approving Procedures for the Assumption and Assignment of Contracts and Leases and (VII) Granting Related Relief* filed in the Bankruptcy Court, Case No 24-11468-LSS, Docket No. 145, on July 26, 2024.

“Bidder Confidentiality Agreement” is defined in Section 6.5(b).

“Bill of Sale” is defined in Section 2.4(a)(i).

“Business” is defined in the recitals to this Agreement.

“Business Day” means any day except Saturday, Sunday, or any other day on which commercial banks located in Birmingham, Alabama are authorized or required by applicable Legal Requirements to be closed for business.

“Business Employee” means each individual who is employed by any Seller or any of their respective Affiliates and who provides services in connection with the Business as set forth on the Business Employee List (as updated in accordance with this Agreement).

“Business Employee List” is defined in Schedule 3.13(a).

“Buyer” is defined in the introductory paragraph of this Agreement.

“Buyer Closing Documents” is defined in Section 2.4(b).

“Buyer Fundamental Representations” means those representations and warranties set forth in Section 4.1 (Organization and Good Standing), Section 4.2 (Authority; No Conflict), and Section 4.3 (Brokers or Finders).

“Buyer Material Adverse Effect” means any Effect that is, or would reasonably be expected to become, individually or in the aggregate, materially adverse to the ability of Buyer to consummate the Transactions on a timely basis.

“CARES Act” means the Coronavirus Aid, Relief, and Economic Security Act of 2020.

“Cash and Cash Equivalents” means all of Sellers’ cash and checks received prior to the Closing, checking account balances, marketable securities, certificates of deposits, time deposits, bankers’ acceptances, commercial paper, security entitlements, securities accounts, commodity Contracts, commodity accounts, government securities and any other cash equivalents, whether in banks or other financial institutions, or otherwise held, and any security, collateral or other deposits, excluding all petty and register cash located at the Distribution Center and corporate offices of the Sellers to the extent relating to the Business and all cash or cash equivalents received with respect to any A/R.

“CERCLA” means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980.

“Closing” is defined in Section 2.3.

“Closing Date” the day on which the Closing takes place.

“COBRA” means the Consolidated Omnibus Budget Reconciliation Act of 1985.

“Code” means the Internal Revenue Code of 1986.

“Company” is defined in the introductory paragraph of this Agreement.

“Company Subsidiaries” is defined in the introductory paragraph of this Agreement.

“Confidentiality Agreement” means, collectively, that certain Confidentiality Agreement, dated as of June 12, 2024, by and between Delta Apparel and Iconix and that certain Confidentiality Agreement, dated as of September 15, 2023, by and between Delta Apparel and Hilco.

“Consent” means any consent, approval, authorization, permission, waiver, clearance, exemption, expiration of any notification requirements, or similar affirmation by any Person pursuant to any Contract, Governmental Authorization, Legal Requirement, or otherwise.

“Constitutive Documents” means, with respect to any Person, the charter, articles or certificate of incorporation, organization, or formation, or such other constitutive documents of such Person, including those that are required to be registered or kept in the place of incorporation, organization, or formation of such Person, that establish the legal existence of such Person.

“Contract” means any contract, agreement, instrument, obligation, covenant, commitment, arrangement, undertaking, understanding, lease, license, plan, mortgage, indenture, note, loan, bond, debenture, guarantee, insurance policy, concession, franchise, purchase or sales order, bid, or other contractual obligation, whether written or oral and whether express or implied, together with all amendments, supplements, and other modifications thereto.

“Contract Assumption and Assignment Agreement” is defined in Section 2.4(a)(i).

“Copyrights” means copyrightable works (including advertising and promotional materials, Software, compilations of data, and website content), and any copyrights therefor (whether registered or unregistered), and including common law and statutory rights therein and therefor, and further including goodwill relating thereto, registrations and renewals thereof, and applications for registration therefor.

“COVID-19” means the diseases caused by the SARS-CoV-2 virus or COVID-19 virus, or any evolutions, mutations, or variants thereof or related and/or associated epidemics, pandemics, or disease outbreaks.

“COVID-19 Law” means the CARES Act, CARES Act implementing regulations, CARES Act interpretive guidance provided by the U.S. Small Business Administration, the Families First Coronavirus Response Act of 2020, and all applicable “stay at home”, “shelter in place”, quarantine, and other similar Orders or directives.

“Cure Costs” means all cash amounts that, pursuant to section 365 of the Bankruptcy Code or as otherwise provided in the Sale Order, are required to be paid to Assigned Contract counterparties to cure any monetary defaults on the part of Sellers under the Assigned Contracts.

“Designated Assets” is defined in Section 2.1(a).

“Disputed Cure Costs” means those Cure Costs claimed by a counterparty to a Seller Contract designated on Annex D that Buyer disputes, in good faith, are owed to such counterparty of such Seller Contract.

“General Disputed Matters” means, as applicable, the specific matters in dispute with respect to (a) the Allocation Schedule prepared by Buyer in accordance with Section 2.2(c) or any component thereof or (b) the Revised Closing Statement or any component thereof, and, in each case, that are set forth in an Objection Notice.

“Distribution Center” is defined in Section 3.5(a).

“Effect” means any event, occurrence, fact, circumstance, condition, development, change, or effect.

“Effective Time” is defined in Section 2.3.

“Encumbrance” means any lien (statutory or otherwise), security interest, Preferential Right, charge, claim, condition, equitable interest, community property interest, pledge, mortgage, deed of trust, lease, license, right of occupancy, easement, encroachment, right of way, servitude, profit, conservation, zoning, deed restriction, conditional and installment sale agreement or other title retention device or arrangement, activity and use limitation, restrictive covenant, restriction of any kind or nature, including restriction on the exercise of any attribute of ownership, including use, voting, transfer, and receipt of income, or any other encumbrance of any nature whatsoever, together with all documents and instruments evidencing or securing such matter.

“Enforceability Exceptions” is defined in Section 3.2(a).

“ERISA” means the Employee Retirement Income Security Act of 1974.

“ERISA Affiliate” means any Person that is considered a single employer with any Seller under Section 414 of the Code.

“Escrow Agent” means Epiq Restructuring LLC.

“Escrow Agreement” means an Escrow Agreement between Buyer, Sellers, and the Escrow Agent.

“Escrow Instructions” is defined in Section 2.4(a)(v).

“Estimated Closing Cash Consideration” means a dollar amount equal to (a) the Base Cash Price, plus (b) the Estimated Net A/R Surplus, if any, plus (c) the Estimated Net Inventory Surplus, if any, minus (d) the Estimated Net A/R Deficit, if any, minus (e) the Estimated Net Inventory Deficit, if any, minus (f) the Good Faith Deposit, minus (g) the Purchase Price Adjustment Escrow Amount.

“Estimated Closing Statement” is defined in Section 2.5(a).

“Estimated Net A/R Amount” is defined in Section 2.5(a).

“Estimated Net A/R Deficit” means the amount by which the Net A/R Target exceeds the Estimated Net A/R Amount.

“Estimated Net A/R Surplus” means the amount by which the Estimated Net A/R Amount exceeds the Net A/R Target.

“Estimated Net Inventory Amount” is defined in Section 2.5(a).

“Estimated Net Inventory Deficit” means the amount by which the Net Inventory Target exceeds the Estimated Net Inventory Amount.

“Estimated Net Inventory Surplus” means the amount by which the Estimated Net Inventory Amount exceeds the Net Inventory Target.

“Excluded Assets” is defined in Section 2.1(c).

“Excluded Liabilities” is defined in Section 2.1(g).

“Execution Date” is defined in the introductory paragraph of this Agreement.

“Executory Period” means the period commencing on (and including) the Execution Date and continuing until the Closing (or, if earlier, the termination of this Agreement in accordance with ARTICLE IX).

“Filing” means any report, registration, document, filing, declaration, statement, application, or submission.

“Final Closing Cash Consideration” means a dollar amount equal to (a) the Base Cash Price, plus (b) the Final Net A/R Surplus, if any, minus (c) the Final Net A/R Deficit, if any, plus (d) the Final Net Inventory Surplus, if any, minus (e) the Final Net Inventory Deficit, if any, minus (f) the Good Faith Deposit, minus (g) the Purchase Price Adjustment Escrow Amount.

“Final Net A/R Amount” means the Net A/R Amount as finally determined in accordance with Section 2.5.

“Final Net A/R Deficit” means the amount by which the Net A/R Target exceeds the Final Net A/R Amount.

“Final Net A/R Surplus” means the amount by which the Final Net A/R Amount exceeds the Net A/R Target.

“Final Net Inventory Amount” means the Net Inventory Amount as finally determined in accordance with Section 2.5.

“Final Net Inventory Deficit” means the amount by which the Net Inventory Target exceeds the Final Net Inventory Amount.

“Final Net Inventory Surplus” means the amount by which the Final Net Inventory Amount exceeds the Net Inventory Target.

“Financial Statements” means the Fiscal Year Financial Statements, the Interim Financial Statements and the Monthly Financial Statements.

“FLSA” means the Fair Labor Standards Act of 1938.

“Furnishings and Equipment” is defined on Annex B.

“GAAP” means United States generally accepted accounting practices in effect as of the date in question.

“Good Faith Deposit” is defined in Section 2.2(a).

“Governance Documents” means, with respect to any Person, the bylaws, stockholders agreement, operating agreement, limited liability company agreement, limited partnership agreement, partnership agreement, or such other governance documents of such Person.

“Governmental Authority” means any federal, state, local, municipal, foreign, or other court, legislature, executive, or regulatory authority (including any self-regulatory or non-governmental regulatory authority), agency, or commission, or other governmental or quasi-governmental entity, authority, organization, or instrumentality, or any department, agency, subdivision, board, directorate, court, tribunal, or other instrumentality of any of the foregoing, or any arbitrator.

“Governmental Authorization” means any license, permit, franchise, approval, authorization, registration, certification, qualification, membership, variance, immunity, closure, Consent, or other similar right required by any applicable Legal Requirement to be obtained from a Governmental Authority.

“Hired Employee” is defined in Section 6.1(a).

“Inbound License Agreement” is defined in Section 3.6(b).

“Indebtedness” means the aggregate amount (including the current portion thereof), without duplication, of (a) any Seller’s indebtedness, contingent or otherwise, for money borrowed from other Persons, purchase money indebtedness of any Seller (other than accounts payable by such Seller to any Person that is not a Related Person in the Ordinary Course to the extent such accounts payable are not more than 60 days past due) and reimbursement obligations of any Seller with respect to letters of credit, (b) any Seller’s obligation to pay rent or other amounts under any lease of (or other arrangement covering the right to use) real or personal property that is required to be classified and accounted for as a capital lease on a consolidated balance sheet of Sellers as of such date in accordance with GAAP, (c) the deferred purchase price of Assets or services incurred outside the Ordinary Course by any Seller, (d) all obligations of any Seller for any earn-out or contingent payment, bonus, deferred compensation, phantom equity arrangement, or other similar payment or arrangement, (e) all earned or accrued but unpaid salaries, wages, commissions, deferred compensation, bonuses, and incentive compensation, and all earned or accrued but unused

vacation, personal pay, sick pay, and other paid time off, and any other compensation or payroll items, as well as all payroll and other employment Taxes payable with respect to each of the foregoing (including payroll and other employment Taxes deferred by any Seller pursuant to Section 2302 of the CARES Act), in each case, with respect to any Business Employee, (f) all obligations of any Seller or any ERISA Affiliate for underfunded employee pension benefit plans and any unsatisfied obligation for “withdrawal liability” to a “multiemployer plan” as such terms are defined under ERISA, (f) all off-balance sheet financing of any Seller, including all operating leases of such Seller, (g) all obligations of any Seller under interest rate hedging, swap Contracts, forward rate Contracts, interest rate cap or collar Contracts, or other financial Contracts entered into for the purpose of limiting or managing interest rate risks, (h) all obligations of any Seller under currency swap transactions (valued at the termination value thereof), (i) all indebtedness and obligations of any Seller with respect to bank products, including credit cards, credit card processing services, debit cards, stored value cards, and purchasing cards (including so-called “procurement cards” and “P-Cards”), (j) all indebtedness and obligations of the type described in this definition guaranteed or in effect guaranteed in any manner, directly or indirectly, by any Seller, including through a Contract, contingent or otherwise, to supply funds to, or in any other manner invest in, the debtor, or to purchase indebtedness, or to purchase and pay for Assets if not delivered or pay for services if not performed, primarily or exclusively, for the purpose of enabling the debtor to make payment of the indebtedness or obligation or to insure the owners of the indebtedness or obligation against loss, but excluding the endorsements of checks and other instruments in the Ordinary Course, (k) all indebtedness and obligations of the type described in this definition secured by any Encumbrance upon Assets owned by any Seller, even though such Seller has not in any manner become liable for the payment of such indebtedness or performance of such obligation, and (l) all accrued but unpaid interest expense and all penalties, fees, charges, and prepayment premiums that are payable, in each case, with respect to any of the indebtedness or obligations described in this definition, including as a result of the entry into the Transaction Documents and the consummation and performance of the Transactions (including any repayment of Indebtedness at or prior to the Closing).

“Independent Accounting Firm” means Bennett Thrasher LLP or such nationally or regionally recognized independent accounting firm mutually acceptable to Buyer, on the one hand, and Sellers, on the other hand.

“Information Systems” means all computer hardware, firmware and Software, data storage systems (including servers), computer and communications networks (other than the internet), and equipment, interfaces, applications, platforms, firewalls, and other apparatus that are owned by or leased to any Seller and used to create, manipulate, store, transmit, exchange, or receive information in any electronic form.

“Intellectual Property Rights” means intellectual property and/or other proprietary rights, including (a) Marks, (b) Net Names, (c) Patents, (d) Copyrights, (e) know-how, trade secrets, technical, marketing, or pricing information, plans, notes, reports, drawings, photographs, works, devices, computer hardware, makes, models, works-in-progress, research and development, formulas, algorithms, processes, data, designs, layouts, customer and supplier lists, financial information, inventions, and creations, (f) Software (whether in general release or under development), and (g) all rights to prosecute and perfect any of the foregoing through administrative prosecution, registration, recordation, or other Proceeding, and all causes of action and rights to sue or seek other remedies arising from or relating to the foregoing, including for any past or ongoing infringement, misuse, or misappropriation, anywhere in the world.

“Interim Balance Sheet” means the balance sheet within the Interim Financial Statements.

“Interim Balance Sheet Date” means the date of the Interim Balance Sheet.

“Interim Financial Statements” is defined in Section 3.3(a).

“Inventory” means all inventory, merchandise, finished goods, raw materials, work in progress, packaging, supplies, parts, and other inventories of any Seller produced for, used in, or relating to the Business, wherever located, including any of the foregoing located at the Distribution Center or any other Leased Real Property, held by a vendor or supplier for the benefit of a Seller, in transit to the Distribution Center or any other Leased Real Property, or in transit to or located on the premises of other Persons for processing, on consignment, or for storage or distribution, in each case, which is related to the Business.

“Inventory Disputed Matters” means any specific matters in dispute with respect to quantities of Inventory included in the calculation of the Final Net Inventory Amount that are set forth in an Objection Notice.

“IP Assignment Agreement” is defined in Section 2.4(a)(iv).

“IRS” means the United States Internal Revenue Service.

“Knowledge of Sellers” means the actual knowledge of Jeff Stillwell and Nancy P. Bubanich, after reasonable inquiry.

“Lease Assumption and Assignment Agreement” is defined in Section 2.4(a)(iii).

“Leased Real Property” is defined in Section 3.5(a).

“Legal Requirement” means any federal, state, local, municipal, foreign, or other law (including common law), statute, code, ordinance, regulation, rule, regulatory or administrative ruling or guidance, directive, Order, constitution, treaty, or other restriction, requirement, or rule of law of any Governmental Authority.

“Liability” means any liability, obligation, or commitment of any kind, nature, character, or description whatsoever (whether primary or secondary, whether direct or indirect, whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether matured or unmatured, whether liquidated or unliquidated, whether due or to become due, and whether secured or unsecured).

“License Agreements” means the Inbound License Agreements and the Outbound License Agreements.

“Loss Proceeds” is defined in Section 5.7.

“Marks” means, registered and unregistered, trademarks, logos, logotypes, corporate names, trade names, trade dress, and service marks, including common law and statutory rights therein and therefor, and further including goodwill relating thereto, registrations and renewals thereof, and applications for registration therefor.

“Material Customers” is defined in Section 3.7(a).

“Material Suppliers” is defined in Section 3.7(b).

“Monthly Financial Statements” is defined in Section 5.5.

“Net A/R Amount” means the A/R of the Business after deducting an allowance for doubtful accounts, calculated as of the Effective Time in accordance with the Accounting Principles and to the extent not set forth in the Accounting Principles, in accordance with GAAP.

“Net A/R Target” means a dollar amount equal to \$5,408,000.

“Net Inventory Amount” means the Inventory of the Business, calculated as of the Effective Time in accordance with the methodologies for Inventory reserves set forth in the Accounting Principles and, to the extent not in conflict thereof, determined in the manner that “Total Net Inventory” is calculated for Salt Life in the Borrowing Base certificate of the Sellers, dated as of August 24, 2024, in accordance with the Seller Credit Agreement.

“Net Inventory Target” means a dollar amount equal to \$29,606,000.

“Net Names” means internet web sites and internet domain names, including all related internet protocol addresses, and including common law and statutory rights therein and therefor, and further including goodwill relating thereto, registrations and renewals thereof, and applications for registration therefor.

“Non-Disclosure Persons” is defined in Section 6.5(a).

“Notified Party” is defined in Section 5.3.

“Notifying Party” is defined in Section 5.3.

“Objection Deadline” means 5:00 p.m. (Eastern Time) on the last day of the applicable Objection Period.

“Objection Notice” means, as applicable, a written notice of any good faith objection to (a) the Allocation Schedule prepared by Buyer in accordance with Section 2.2(c) or any component thereof or (b) the Revised Closing Statement or any component thereof, in each such case, specifying in reasonable detail the nature and basis of such objection, as well as the specific Disputed Matters and the amount of any proposed adjustments.

“Objection Period” means, as applicable, (a) the 30-day period immediately following the delivery of the Allocation Schedule by Buyer to Sellers or (b) the 30-day period immediately following the delivery of the Revised Closing Statement by Buyer to Sellers.

“Order” means any order, award, decision, injunction, judgment, ruling, decree, assessment, charge, writ, subpoena, or verdict entered, issued, made, or rendered by any Governmental Authority or mediator.

“Ordinary Course” means the ordinary course of business of Sellers consistent with past customs and practices (including with respect to quantity and frequency) of Sellers in effect prior to filing of the Bankruptcy Cases, but in no event including any (a) breach of Contract or warranty, (b) infringement, (c) professional error or omission, (d) act or event creating a severance obligation, wrongful discharge claim, or similar Liability, (e) tort, or (f) violation of Legal Requirement.

“Outbound License Agreement” is defined in Section 3.6(b).

“Outside Date” is defined in Section 8.1(c).

“Pandemic” means the pandemic caused by the outbreak of COVID-19 as declared by the World Health Organization on March 11, 2020.

“Parties” means Buyer and Sellers.

“Patents” means inventions (whether patentable or unpatentable and whether or not reduced to practice), improvements to inventions, patents, patent applications, and work product therefor, together with any reissuance, division, continuation, continuation-in-part, revision, extension, or reexamination of any such patent or patent application, and including common law and statutory rights therein and therefor, and further including goodwill relating thereto, registrations and renewals thereof, and applications for registration therefor.

“Permitted Post-Closing Encumbrance” means (i) liens for utilities and Taxes related to the Purchased Assets not yet due and payable at Closing and arising in and attributable solely to the period commencing on the Closing Date, (ii) easements, rights of way, restrictive covenants, encroachments and similar non-monetary encumbrances or non-monetary impediments against any of the Purchased Assets which do not, individually or in the aggregate, adversely affect the operation of the Purchased Assets and, in the case of the Leased Real Property subject to Real Property Leases that are Assigned Contracts or the Distribution Center, which do not, individually or in the aggregate, adversely affect the use or occupancy of such Leased Real Property (including the Distribution Center) as it relates to the operation or realization of the Purchased Assets, (iii) applicable zoning Legal Requirements, building codes, land use restrictions and other similar restrictions imposed by applicable Legal Requirements, which are not violated by the current use or occupancy of such Leased Real Property, as applicable, and (iv) *de minimis* materialmans’, mechanics’, artisans’, shippers’, warehousemans’ or other similar common law or statutory liens incurred in the Ordinary Course related to the Purchased Assets securing amounts not yet due and payable at the time of Closing and not exceeding, in the aggregate, \$10,000.

“Person” means any individual, partnership, limited partnership, limited liability partnership, limited liability company, corporation, unincorporated association, joint stock company, joint venture, trust, business trust, or other entity, or any Governmental Authority.

“Personal Information” means any data or information that alone or in combination with other information can be used to specifically identify an individual, including any information defined as personally identifiable information or a similar term under any Privacy Laws and Standards.

“Petition Date” is defined in the recitals to this Agreement.

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

“Preferential Right” means any purchase option, call right, right of first refusal, right of first offer, co-sale right, participation right, preemptive right, subscription right, put right, or other similar right.

“Privacy Laws and Standards” is defined in Section 3.16.

“Proceeding” means any claim, counterclaim, charge, complaint, allegation, notice of violation, notice, demand, action, cause of action, enforcement action, lawsuit, litigation, proceeding, hearing, arbitration, mediation, citation, indictment, summons, subpoena, audit, investigation, or inquiry of any nature (in each case, whether civil, criminal, administrative, regulatory, investigative, or informal, and whether at law or in equity) commenced, conducted, heard, or pending by or before any Governmental Authority or mediator.

“Purchase Price” is defined in Section 2.2.

“Purchase Price Adjustment Escrow Amount” means a dollar amount equal to \$4,000,000.

“Purchase Price Bank Account” means that certain bank account in the United States to be designated by Sellers in a written notice to Buyer at least five Business Days prior to the Closing Date.

“Purchased Assets” is defined in Section 2.1(b).

“Real Property Leases” is defined in Section 3.5(a).

“Related Person” means (a) any Affiliate, shareholder, director, manager, or officer of any Seller and (b) any Affiliate or member of the immediate family of any of the foregoing.

“Release” means any actual or threatened release, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, abandonment, disposing, or allowing to escape or migrate into or through the environment (including ambient air (indoor or outdoor), surface water, groundwater, land surface or subsurface strata, or within or from any building, structure, improvement, fixture, building system and equipment, or any component thereof).

“Representative” means, with respect to any Person, any director, manager, officer, employee, independent contractor, consultant, legal counsel, accountant, financial advisor, or other agent or representative of such Person.

“Revised Closing Cash Consideration” means a dollar amount equal to (a) the Base Cash Price, plus (b) the Revised Net A/R Surplus, if any, minus (c) the Revised Net A/R Deficit, if any, plus (d) the Revised Net Inventory Surplus, if any, minus (e) the Revised Net Inventory Deficit, if any, minus (f) the Good Faith Deposit, minus (g) the Purchase Price Adjustment Escrow Amount.

“Revised Closing Statement” is defined in Section 2.5(b).

“Revised Net A/R Amount” is defined in Section 2.5(b).

“Revised Net A/R Deficit” means the amount by which the Net A/R Target exceeds the Revised Net A/R Amount.

“Revised Net A/R Surplus” means the amount by which the Revised Net A/R Amount exceeds the Net A/R Target.

“Revised Net Inventory Amount” is defined in Section 2.5(b).

“Revised Net Inventory Deficit” means the amount by which the Net Inventory Target exceeds the Revised Net Inventory Amount.

“Sale Motion” is defined in Section 8.2(a).

“Sale Order” means an order of the Bankruptcy Court approving and authorizing the Transactions, including the sale and transfer of the Purchased Assets, Designated Assets and Assumed Liabilities to Buyer (or its designee) free and clear of all Encumbrances pursuant to Sections 105 and 363 of the Bankruptcy Code, which Order will, among other things: (a) authorize the assumption by Seller and assignment to Buyer of the Assigned Contracts; (b) provide that Buyer has acted in “good faith” within the meaning of Section 363(m) of the Bankruptcy Code (c) provide that the Transactions were negotiated, proposed and

entered into by the Parties without collusion, in good faith and from arm's length bargaining positions, and the Purchase Price represents the fair market value of the Purchased Assets and Designated Assets; (d) state that the automatic fourteen (14) –day stay under Rule 6004 of the Federal Rules of Bankruptcy Procedures shall not apply to the Sale Order; and (e) such other terms and conditions as are acceptable to Buyer.

“Salt Life Names” is defined in Section 6.7.

“Schedule Supplement” is defined in Section 10.11(d).

“Scheduled Patents” is defined on Annex B.

“Seller Closing Documents” is defined in Section 2.4(a).

“Seller Contract” means any Contract to which any Seller is a party or by which any Seller or any of such Seller's Assets is otherwise bound.

“Seller Credit Facility” means that certain Credit Agreement, dated as of February 16, 2007 (as amended, restated, modified, supplemented, refinanced, renewed, or extended from time to time), entered into among, inter alia, Delta Apparel, the lenders signatory thereto from time to time and Wells Fargo Bank, National Association as the arranger and administrative agent.

“Seller Governmental Authorizations” is defined in Section 3.11(a).

“Seller Fundamental Representations” means those representations and warranties set forth in Section 3.1 (Organization and Good Standing; Subsidiaries), Section 3.2 (Authority; No Conflict), the first sentence of Section 3.4(a) (Assets; Inventory), Section 3.17 (Related Persons), and Section 3.19 (Brokers or Finders).

“Seller IP Rights” means all of the Intellectual Property Rights owned or purported to be owned by Sellers related to, or used in, or useful to, the Business, including all Intellectual Property Rights set forth on or required to be set forth on Schedule 3.6(b)-1.

“Seller Material Adverse Effect” means any Effect that is, or would reasonably be expected to become, individually or in the aggregate, materially adverse to (a) the businesses, results of operations, financial condition, or Assets of Sellers, , or (b) the ability of any Seller to timely perform its obligations under the Transaction Documents or to timely consummate and perform the Transactions on a timely basis; provided, however, that, for the purposes of clause (a) in determining whether a Seller Material Adverse Effect has occurred, no Effect will be considered to the extent arising out of, relating to, or resulting from (i) changes generally affecting the economy, financial, or securities markets, (ii) any outbreak or escalation of war (whether or not declared) or any act of terrorism, (iii) general conditions in the industry in which Sellers operate, (iv) any natural disasters or acts of God, (v) the failure of any Seller to meet internal or published projections, forecasts, or revenue or earning predictions for any period (but not the underlying causes of such failure unless such underlying causes would otherwise be excepted from this definition); (vi) changes in applicable Law; (vii) changes in GAAP; (viii) changes in the price or trading volume of Delta Apparel's common stock; (ix) changes in political conditions; (x) the announcement of the Transactions as permitted by the terms of this Agreement; or (xi) the commencement or pendency of the Bankruptcy Cases; provided further that any Effect arising out of or resulting from any change or event referred to in clause (i), (ii), (iii), (iv), (vi), (vii), or (ix) will constitute, and will be taken into account in determining the occurrence of, a Seller Material Adverse Effect to the extent such change or event has a disproportionate impact on Sellers as compared to other companies that operate in the industries in which Sellers operate.

“Seller Privacy Requirements” is defined in Section 3.16.

“Seller Sites” means internet websites owned, maintained, or operated by any Seller in connection with the Business.

“Sellers” is defined in the introductory paragraph of this Agreement.

“Software” means computer software programs and software systems, including all databases, compilations, tool sets, compilers, modules, libraries, files, or other components, higher level of “proprietary” languages, source code, object code, and related data, records, documentation, specifications, manuals, user guides, and materials.

“Straddle Period” means any Tax year or other Tax period beginning on or before the Closing Date and ending after the Closing Date.

“Store” means a retail store relating to the Business operated by a Seller.

“Subsidiary” means, with respect to any Person, any corporation, limited liability company, partnership, association, or other business entity of which (a) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to any contingency) to vote in the election of directors or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (b) if a limited liability company, partnership, association, or other business entity (other than a corporation), a majority of partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof (for this purpose, a Person owns (or Persons own) a majority ownership interest in such a business entity (other than a corporation) if such Person or Persons shall be allocated a majority of such business entity’s gains or losses) or is or controls any managing director or general partner of such business entity (other than a corporation). The term “Subsidiary” includes all Subsidiaries of such Subsidiary.

“Tax” means any federal, state, county, municipal, local, foreign, or other tax, duty, fee, excise, premium, impost, levy, assessment, tariff, or other charge of any kind whatsoever imposed, assessed, or collected by a Governmental Authority, including (a) any gross income, net income, gross receipts, business, royalty, capital, capital gains, goods and services, value added, general service, service use, severance, stamp, franchise, occupation, production, capital stock, sales and use, real property, real property gains, land transfer, personal property, ad valorem, transfer, registration, license, lease, profits, windfall profits, environmental (including under Section 59A of the Code), payroll, employment, unemployment, disability, employer health, pension plan, social security, national insurance contributions, anti-dumping, countervail, excise, recapture, wealth, estate, inheritance, surplus, surtaxes, customs, indebtedness, alternative or add-on minimum, estimated, or premium tax, (b) any withholding on amounts paid to or by the relevant Person, (c) any fine, penalty, interest, and addition to tax or installment in respect thereof or with respect to the nonpayment thereof, whether disputed or not, and all interest in respect of such fine, penalty, and addition, (d) any tax imposed, assessed, or collected or payable pursuant to tax sharing agreements or other Contracts relating to the sharing or payment of taxes, levies, assessments, tariffs, duties, deficiencies, or fees, and (e) any Liability for any of the foregoing as a transferee, successor, guarantor, or by Contract or by operation of law.

“Tax Return” means any return, declaration, report, claim for refund, information return or statement, or other document required to be filed with respect to Taxes, including any schedule or attachment thereto, and including any amendment thereof, and any return, form, or other document required to be retained in compliance with applicable Tax reporting and withholding Legal Requirements.

“Transaction Documents” means this Agreement and all other Contracts, documents, and certificates contemplated by this Agreement, including the Seller Closing Documents and the Buyer Closing Documents.

“Transactions” means all of the transactions provided for in this Agreement and the other Transaction Documents, including the purchase of the Purchased Assets and Designated Assets and the assumption of the Assumed Liabilities by Buyer.

“Transfer Taxes” means all provisional and final sales, use, transfer, real estate transfer, recording, documentary, stamp, registration, value added, gross receipts, and all other similar Taxes (including penalties and interest).

“Treasury Regulations” means the United States Treasury Regulations promulgated under the Code, and any reference to any particular section of the Treasury Regulations is deemed to include any final or temporary revision of or successor to such section regardless of how such section is numbered or classified.

“Union” means a union, works council, labor organization, or similar organization.

“Unsold Designated Assets” is defined in Section 2.1(b).

“Unsold Designated Assets Bill of Sale” is defined in Section 2.4(a)(ii).

“WARN Act” means the federal Worker Adjustment and Retraining Notification Act of 1988, and similar state, local and foreign laws related to plant closings, relocations, mass layoffs and employment losses.

Annex B

Purchased Assets

1) Subject to the terms and conditions of this Agreement, at the Closing, Hilco shall acquire:

- (a) The right to sell, through the Agency Agreement, all Inventory;
- (b) The right to sell, through the Agency Agreement, the Furnishings and Equipment other than the fixtures related to that certain Master Agreement, dated July 13, 2018, by and between Delta Apparel, Inc. and Regions Commercial Equipment Finance, LLC, as supplemented by that certain Equipment Finance Schedule No. EFA-13 to the Master Agreement, dated June 12, 2020 by and between Delta Apparel, Inc. and Regions Commercial Equipment Finance, LLC (collectively, the “Excluded Fixtures”) (for purposes hereof, “Furnishings and Equipment” means all furniture, furnishings, fixtures, signage, security systems, point-of-sale systems, computer equipment, alarm systems, cameras, equipment, and machinery owned by any of the Sellers and that are associated with, related to, used, held for use, or otherwise useful in connection with the Business (other than those that pertain or relate to Intellectual Property Rights, which shall be acquired by Iconix), including any leasehold interests held by a Seller for any of the foregoing types of Assets that are leased by a Seller);
- (c) all Assigned Contracts and all of each Seller’s rights and benefits thereunder (other than those that pertain or relate to Intellectual Property Rights, which shall be acquired by Iconix);
- (d) all prepaid expenses of any Seller, including deposits, security deposits, merchant deposits, prepaid rent and prepaid expenses relating to the Business, any of the Purchased Assets, Designated Assets, or any of the Leased Real Property (other than pursuant to any Contract or Real Property Lease which is not an Assigned Contract);
- (e) to the extent requested by Buyer and assignable to Buyer under applicable Legal Requirements, all Governmental Authorizations issued to, or for the benefit of, any Seller relating to the operation of the Business (other than pursuant to any Contract or Real Property Lease which is not an Assigned Contract), and all pending applications or filings therefor and renewals thereof (other than those that pertain or relate to Intellectual Property Rights, which shall be acquired by Iconix);
- (f) all petty cash located at the Stores, Distribution Center and corporate offices of the Sellers to the extent relating to the Business;
- (g) all A/R;
- (h) to the extent their transfer is permitted by applicable Legal Requirements, all third party warranties, guarantees, refunds, rights of recovery, rights of set-off or counter-claim and rights of recoupment of every kind and nature for the benefit of, or enforceable by, any Seller in each case to the extent arising from or relating to the Business, any of the other Purchased Assets, Designated Assets or any of the Assumed Liabilities;
- (i) all books and records, including files, data, reports, computer codes and sourcing data, advertiser and supplier lists, cost and pricing information, business plans, and manuals, blueprints, research and development files, web hosting accounts, Blue Cherry software, data files, and other records of any Seller relating to, used in, or useful to the Business, any of the other Purchased Assets or any of the Assumed

Liabilities (other than those that pertain or relate to Intellectual Property Rights, which shall be acquired by Iconix);

(j) all marketing, advertising and promotional materials and product samples and designs relating to, used in, or useful to the Business or any of the other Purchased Assets and Designated Assets (other than those that pertain or relate to Intellectual Property Rights, which shall be acquired by Iconix);

(k) financial, marketing and business data, pricing and cost information, business and marketing plans and other information, servers, offsite and backup storage, files, correspondence, records, data, plans, reports and recorded knowledge, historical trademark files, prosecution files of any Seller in whatever media retained or stored, including computer programs and disks, in each case relating to, used in, or useful to the Business, any of the other Purchased Assets or Designated Assets or any of the Assumed Liabilities, including any such files in the possession of or under the control of any Seller (other than those that pertain or relate to Intellectual Property Rights, which shall be acquired by Iconix);

(l) all goodwill associated with the Business or any of the other Purchased Assets or Designated Assets (other than those that pertain or relate to Intellectual Property Rights, which shall be acquired by Iconix);

(m) all of each Seller's rights of publicity and all similar rights, including all commercial merchandising rights, in each case, which are relating to, used in, or useful to the Business or any of the other Purchased Assets or Designated Assets (other than those that pertain or relate to Intellectual Property Rights, which shall be acquired by Iconix);

(n) product designs, design rights, tech packs, artwork, archival materials and advertising materials, copy, commercials, images and artwork owned by any Seller, or in which any Seller has any right, title or interest, in each case, which is relating to, used in, or useful to the Business or any of the other Purchased Assets or Designated Assets (other than those that pertain or relate to Intellectual Property Rights, which shall be acquired by Iconix);

(o) all customer data, customer lists, and information related to customer purchases at the Stores or through any e-commerce platform owned, operated, or controlled by any Seller, in each case, relating to, used in, or useful to the Business (the "Customer Information") (excluding from the foregoing any credit card numbers or related customer payment source, social security numbers, or other personally identifiable information the transfer of which would contravene applicable privacy Legal Requirement) (other than those that pertain or relate to Intellectual Property Rights, which shall be acquired by Iconix);

(p) payment processor receivables for sales made by the Business from and after the Closing;

(q) royalty payments and licensing receivables generated by the Business and attributable to the period from and after the Closing;

(r) all Sellers' telephone, fax numbers and email addresses relating to the Business;

(s) all Assets included in any e-commerce platform owned, operated, or controlled by any Seller relating to the Business (provided that to the extent any such Assets include rights to which Sellers are entitled pursuant to any Seller Contract, such rights shall only be included in the Purchased Assets if such Seller Contract is an Assigned Contract) (other than those that pertain or relate to Intellectual Property Rights, which shall be acquired by Iconix);

(t) all of Sellers' rights against third Persons related to the Business, any of the other Purchased Assets or Designated Assets or any of the Assumed Liabilities (including customers, suppliers, vendors, merchants, manufacturers and counterparties to any Assigned Contract), including causes of action (other than causes of action that are Excluded Assets set forth on Annex C), claims, counterclaims, defenses, credits, rebates (including any vendor or supplier rebates), demands, allowances, refunds (other than Tax refunds or Tax attributes for any Pre-Closing Tax Period) (other than those that pertain or relate to Intellectual Property Rights, which shall be acquired by Iconix);

(u) rights of set off, rights of recovery, rights of recoupment or rights under or with respect to express or implied guarantees, warranties, representations, covenants or indemnities made by such third Persons, with respect to the Business or any of the other Purchased Assets or Designated Assets or any of the Assumed Liabilities (other than those that pertain or relate to Intellectual Property Rights, which shall be acquired by Iconix);

(v) all (i) Loss Proceeds and (ii) any other insurance proceeds received by or on behalf of any Seller (or claims for any insurance proceeds) under any of the Insurance Policies (or replacement insurance policies) arising from an insurable event occurring from or after the date of this Agreement and prior to the Closing with respect to the Business, any of the other Purchased Assets or Designated Assets or any of the Assumed Liabilities (other than those that pertain or relate to Intellectual Property Rights, which shall be acquired by Iconix);

(w) all attorney-client privilege and attorney work-product protection of any Seller to the extent attaching to any of the other Purchased Assets or Designated Assets or any of the Assumed Liabilities (other than those that pertain or relate to Intellectual Property Rights, which shall be acquired by Iconix);

(x) all of each Seller's right, title, and interest in, to, and under all of such Seller's Assets associated with, related to, used, held for use, or otherwise useful in connection with the Business other than (i) Seller Contracts that are not Assigned Contracts, (ii) other Excluded Assets set forth on Annex C, (iii) Assets specifically declined by Buyer following the Closing or (iv) those that pertain or relate to Intellectual Property Rights, which shall be acquired by Iconix; and

(y) all of Sellers' rights against third Persons related to the Business, any of the Purchased Assets or Designated Assets or any of the Assumed Liabilities (including customers, suppliers, vendors, merchants, manufacturers and counterparties to any Assigned Contract), including causes of action, claims, counterclaims, defenses, or demands, arising out of or related to the Seller IP Rights, that are not Excluded Assets set forth on Annex C (other than those that pertain or relate to Intellectual Property Rights, which shall be acquired by Iconix);

2) Subject to the terms and conditions of this Agreement, at the Closing, Iconix shall acquire the Sellers' Intellectual Property Rights, including:

(a) all IT Assets;

(b) all Copyrights owned or purported to be owned by any Seller relating to, used in, or useful to the Business, including the Copyright registrations set forth in Schedule 3.6(a)-1;

(c) all Net Names owned or purported to be owned by any Seller relating to, used in, or useful to the Business, including the Net Names and social media accounts set forth in Schedule 3.6(a)-1;

(d) all Patents owned or purported to be owned by any Seller relating to, used in, or useful to the Business, including (i) those Patents listed on Schedule 3.6(a)-1 (all such Patents, collectively, “Scheduled Patents”); and (ii) reissues, reexaminations, continuations, continuations in part (only with respect to subject matter disclosed in the Scheduled Patents), divisionals, requests for continuing examinations or continuing prosecution applications, or design registrations of any Scheduled Patent;

(e) all Marks owned or purported to be owned by any Seller relating to, used in, or useful to the Business, including the Marks set forth in Schedule 3.6(a)-1, including the historical trademark files, and further including any and all of any Seller’s right, title and interest in, to and under the name “Salt Life” or any derivation thereof;

(f) to the extent their transfer is permitted by applicable Legal Requirements at Buyer’s option, all License Agreements that constitute Assigned Contracts;

(g) all of each Seller’s rights, title, and interest in, to, and under all other Seller IP Rights; and,

(h) any tangible or intangible assets listed under the preceding number 1) to the extent that pertain or relate to Intellectual Property Rights.

Annex C

Certain Specified Excluded Assets

- Cash and Cash Equivalents, excluding all petty and register cash located at the Stores, Distribution Center and corporate offices of the Sellers to the extent relating to the Business and all cash or cash equivalents received with respect to any A/R
- All Tax attributes of Sellers and net operating losses attributable to Seller
- All rights to or claims for any Tax refund or credit due to Seller relating to a Tax period prior to the Closing
- Any Seller Contracts that are not (1) Assigned Contracts, as such Annex D may be amended from time to time by Buyer in accordance with this Agreement, or (2) otherwise assumed by a Seller or Sellers and assigned to Buyer in the Bankruptcy Cases
- All books and records (i) relating exclusively to any Excluded Asset or Excluded Liability; or (ii) that Seller is not permitted to transfer under applicable Legal Requirements or confidentiality obligations owed to third parties
- All avoidance claims or causes of action arising under Sections 544, 547, 548, 549, and 550 of the Bankruptcy Code and any similar Legal Requirement, or any claims or causes of action that any Seller may have against any Person with respect to any of the Excluded Assets or Excluded Liabilities
- Those rights that accrue or will accrue to Sellers under this Agreement and the Transaction Documents
- All avoidance claims or causes of action arising under sections 544, 547, 548, 549, and 550 of the Bankruptcy Code and any similar Legal Requirement, or any claims or causes of action that any Seller may have against any Person with respect to any of the Excluded Assets or Excluded Liabilities
- Insurance policies and rights to proceeds thereunder (other than insurance benefits, including rights to claims and proceeds arising from or relating to the Business, any of the Purchased Assets, or any of the Assumed Liabilities, and other than to the extent Buyer becomes liable for or suffers any damages with respect to a matter arising prior to the consummation of the Transactions covered by insurance maintained by any Seller, all of which are Purchased Assets).
- Benefit Plans
- Sellers' attorney –client and work-product privileges, except to the extent a Purchased Asset
- Any and all rights pursuant to that certain Judgement in Civil Case No: 2:20-cv-590-JLB-NPM in favor of Salt Life, LLC against Salt Life Transportation, LLC and Donald Bishop.
- The Excluded Fixtures.

Annex D

Assigned Contracts

Outbound License Agreements

1. Salt Life, LLC Retail Product License Agreement, dated December 15, 2022, by and between Magnussen Home Furnishings, Inc. and Salt Life, LLC
2. Salt Life, LLC Retail Product License Agreement, dated as of March 1, 2017, by and between Tervis Tumbler Company and Salt Life, as amended by that certain Amendment dated March 1, 2022.
3. Trademark License Agreement, dated June 8, 2012, by and between Salt Life, LLC as successor in interest to Salt Life Holdings, LLC and Salt Life Restaurant Group, LLC

Annex E

Assumed Liabilities

- None

Annex F

Certain Specified Excluded Liabilities

- Any Liabilities relating to or arising out of any of the Excluded Assets
- All accounts payable of any Seller existing on the Closing Date with respect to the period prior to the Closing, unless expressly designated by Buyer in its discretion as an Assumed Liability
- Any Liability of any Seller for Taxes, including with respect to any of the Purchased Assets or Designated Assets or the Business for any Pre-Closing Tax Period
- All Liabilities of any Seller relating to any WARN Act compliance or any violations or alleged violations thereof, including any obligations related or attributable thereto, and all Liabilities under any valid policy or practice that provides for a severance payment to terminated employees of such Seller
- All Liabilities relating to, based upon, or arising from or in connection with service performed for Sellers or Sellers' Affiliates prior to the Closing under the Benefit Plans or relating to payroll, vacation, sick leave, workers' compensation, unemployment, or other benefits of any kind for any of Seller's employees, former employees, or both
- Any Liabilities arising from the ownership or operation of the Business prior to the Closing, including (i) all Liabilities of a Seller associated with any Indebtedness, including any guarantees of third party obligations and reimbursement obligations to guarantors of such Seller's obligations, other than Liabilities set forth in the Assumed Liabilities and (ii) all Liabilities arising from the ownership or operation of the Business at any time on or prior to the Petition Date
- All Liabilities related to, associated with or arising out of any Proceeding in respect of the operation of the Business prior to the Closing, whether such Proceeding is brought prior to, at or after the Closing
- Each Seller's obligations under this Agreement and the Transaction Documents and any fees or expenses incurred by any Seller in connection with (i) the negotiation, preparation, approval or execution of this Agreement and the Transaction Documents and/or the consummation of the Transactions, and (ii) the Bankruptcy Case, including the fees and expenses of counsel, independent auditors, brokers, bankers, investment bankers and other advisors or consultants and any success (or similar fees) arising in connection therewith
- Any Liabilities in respect of any Seller Contracts, including Real Property Leases, that are not Assigned Contracts, including any Liabilities arising out of the rejection of any such Contracts pursuant to Section 365 of the Bankruptcy Code
- Any Liabilities relating to amounts to be paid by any Seller hereunder, including brokers' fees; and
- Any Liabilities arising out of, in respect of or in connection with the failure by a Seller or any of their respective Affiliates to comply with any Legal Requirements or Governmental Order
- Any Liabilities relating to Transfer Taxes to be paid by any Seller hereunder and/or related to the Business

Annex G

Accounting Principles

Accounting Principles:

Sellers follow the following accounting methodologies with respect to A/R reserves:

1. Aging reserves
 - a. Aged 31-60 = 5%
 - b. Aged 61-90 = 15%
 - c. Aged 91-120 = 30%
 - d. Over 120 days = 50%

2. Dilution reserve
 - a. Current and 1-30 days = 0.7%

3. Returns reserve
 - a. Current and 1-30 = 0.40%

See attached for the accounting methodologies with respect to Inventory reserves.



Salt Life, LLC
Inventory Market Reserves
September 30, 2023

Purpose: To describe the methodologies used by Salt Life (SL) regarding valuation of its finished goods and raw material inventory.

Salt Life:

Blanks: Reserves on Salt Life blank inventory are calculated based on the age and status of the inventory on-hand. The reserve methodology for Salt Life blanks at year end FY23 is as follows:

<u>Age</u>	<u>Reserve</u>
2 to 3 Years	10%
3 to 4 Years	15%
4 to 5 Years	25%
> 5 Years	100%

Reserves on Salt Life blanks were \$342K at the end of FY23.

Finished Goods:

A Product Lifecycle classification methodology is used to identify closeouts in Salt Life's finished goods inventory. Classifications are reviewed and updated on a quarterly basis. Reserves are based on the classifications assigned in this process. A summary of the classifications is as follows:

- ACT - Active - no reserve
- Early - Early Price Discount - no reserve
- At Once - 10% discount - no reserve
- Excess A - 15% discount - no reserve
- Excess B - 30% discount – no reserve
- Excess C - 50% discount - 10% reserve - *may sell less than cost in bulk price offerings*
- Outlet Quality - 25% Reserve - *will sell less than cost in bulk price offerings*
- Obsolete - 100% Reserve- *no obsolete inventory on record currently*
- RS - Retail Specific - no reserve
- Non - Non inventory item - Freight, Fixtures, Marketing, etc.

Reserves on Salt Life finished goods inventory were \$32K at the end of FY23.

Retail Stores: The Salt Life retail stores use Retail Pro POS perpetual system to track inventory. SL performs annual physical inventories at each Salt Life store. Inventory is valued at standard cost for each item. Reserves for the retail stores' inventory are recorded at 2% and were \$101K at the end of FY23. The 2% reserve was established to cover possible shrink or additional markdowns. After the goods are moved to the retail stores, additional markdowns may be necessary to sell the goods.

Fabric

SL owns fabric at overseas factories for use in finished goods production. Reserve percentages were determined by examining historical variance amounts and considering the risk of shrink/consumption variances at overseas factories and warehouses. A perpetual system is not utilized to account for fabric stored at outside contractor's warehouses. SL relies on inventory count reports submitted by these warehouses. The reserve percentage used on fabric was 25% to cover possible shrinkage or consumption variances at the contractor locations. Total fabric reserves were \$155 at the end of FY23.

Optics

Finished Goods: Reserves on this inventory are calculated based on the age and status of the inventory on-hand. The reserve methodology for Salt Life Optics at year end FY23 is as follows:

<u>Product Line / Age</u>	<u>Reserve</u>
< 1 Years	0%
Age 1-2 Years	10%
Age 2-3 Years	20%
Age > 3 Years	30%

Reserves on Optics Finished Goods as of the end of FY23 were \$50K.

Lens Inventory: SL owns optic lenses at an overseas factory for use in finished goods production. A 10% reserve was established on this inventory to cover possible shrinkage at the contractor location. Total lens reserves were \$4K at the end of FY23.

Specific Situations

There are occasions when situations occur that may require SL to reduce reserves or record additional reserves. SL evaluates these situations on a case by case basis and records reserves to ensure the inventory is valued appropriately.

Conclusion

SL believes its reserve methodology is appropriate and our methodology is consistent with the prior year with the exception of specific changes noted above.

Annex H**Purchase Price Allocation Methodology**

Based on the finalization of the Allocation Schedule in accordance with Section 2.2(c) of the Agreement, the Purchase Price shall be allocated among the Purchased Assets using the ordering provided below. The value should be allocated in a manner such that each class should be allocated its relevant value prior to allocating any value to the subsequent class.

<u>Asset Classes 1</u>	<u>Description</u>	<u>Allocation Methodology</u>
Class I	Cash and cash equivalents	Fair market value of Class I assets on the Closing Date
Class II	Actively traded personal property, including certificates of deposit and foreign currency.	Net book value of Class II Assets on the Closing Date.
Class III	Accounts receivable and other assets that are marked-to market on a regular basis	An amount equal to the amount of Class III assets included in Final Net A/R Amount, as finally determined, if any.
Class IV	Stock in trade of the taxpayer (i.e., inventory)	An amount equal to the amount of Class IV assets included in Final Net Inventory Amount, as finally determined, if any.
Class V	All assets other than Class I, II, III, IV, VI and VII assets (i.e., property, plant and equipment, prepaids, other assets, etc.)	Net book value of Class V assets on the Closing Date.
Class VI	All section 197 intangible assets (i.e., specifically identifiable intangibles), other than goodwill and going concern value.	Fair market value of Class VI assets on the Closing Date
Class VII	Goodwill and going concern value ¹	Any remaining Purchase Price not previously allocated.

Exhibit A

Form of Bill of Sale

[See Attached]

BILL OF SALE

This Bill of Sale (this “Agreement”), dated as of [-], 2024, is entered into by, between and among Iconix International, Inc., a Delaware corporation, or its designee (“Iconix”), Hilco Merchant Resources, LLC, a Delaware limited liability company, or its designee (“Hilco” and together with Iconix, the “Buyer”), Delta Apparel, Inc., a Georgia corporation (“Delta Apparel”), and Salt Life, LLC, a Georgia limited liability company (“Salt Life” and together with Delta, as debtors-in-possession, each, a “Seller” and collectively, “Sellers”). Buyer and Sellers are referred to individually and a “Party” and collectively as the “Parties”.

RECITALS

A. The Parties have entered into that certain Asset Purchase Agreement dated as of August 28, 2024 (the “Purchase Agreement”), pursuant to which, among other things, Sellers agreed to sell, convey, grant, assign, transfer, and deliver to Buyer, and Buyer agreed to purchase and acquire from Sellers, free and clear of all Encumbrances to the maximum extent permitted by Section 363 of the Bankruptcy Code and as provided in the Sale Order, all of each Seller’s right, title, and interest in, to, and under the Purchased Assets.

B. The Parties are entering into this Agreement in order to evidence the sale, conveyance, grant, assignment, transfer, and delivery of the Purchased Assets by Sellers to Buyer.

AGREEMENT

The Parties, intending to be legally bound, hereby agree as follows:

1. In consideration of the Purchase Price, the receipt and sufficiency of which are hereby acknowledged, pursuant to Sections 105, 363 and 365 of the Bankruptcy Code, on the terms and subject to the conditions set forth in this Agreement and the Purchase Agreement, including Section 2.1(d) of the Purchase Agreement, and in the Sale Order, at the Closing, each Seller hereby sells, conveys, grants, assigns, transfers, and delivers to Buyer, and Buyer hereby purchases and acquires from such Seller, free and clear of all Encumbrances to the maximum extent permitted by Section 363 of the Bankruptcy Code and as provided in the Sale Order, all of such Seller’s right, title, and interest in, to, and under the Purchased Assets. Pursuant to Section 363(f) of the Bankruptcy Code, the transfer of the Purchased Assets shall be free and clear (except for Permitted Post-Closing Encumbrances and the Assumed Liabilities) of any and all liens (as defined in Section 101(37) of the Bankruptcy Code), claims (as defined in Section 101(5) of the Bankruptcy Code, including claims for successor liability under any Legal Requirement or theory of equity), and Encumbrances, whether arising prior to or subsequent to the Petition Date. Each Seller shall execute and deliver, at the reasonable request of Buyer, such further instruments of sale, conveyance, grant, assignment, transfer, and delivery, and take such other actions, as Buyer reasonably requests, to more effectively consummate the foregoing.

2. Each Seller hereby constitutes and appoints Buyer as its true and lawful agent and attorney-in-fact, with full power of substitution and resubstitution, in whole or in part, in such Seller’s name and stead, but on behalf and for the benefit of Buyer and its successors and assigns, (a) to demand, receive, and collect any and all of the Purchased Assets and to give receipts

and releases for and in respect of the Purchased Assets, or any part of the Purchased Assets, (b) to institute and prosecute, in the name of such Seller or otherwise, any and all Proceedings that Buyer or any of its successors and assigns deems proper for the collection or reduction to possession of any of the Purchased Assets or for the collection or enforcement of any claim or right of any kind hereby sold, conveyed, granted, assigned, transferred, or delivered, or intended so to be, and (c) to do all things legally permissible, required, or reasonably deemed by Buyer to be required to recover and collect the Purchased Assets, and to use such Seller's name in such manner as Buyer reasonably deems necessary for the recovery and collection of the Purchased Assets. Each Seller hereby declares that the foregoing powers are coupled with an interest and are irrevocable by such Seller.

3. The terms of the Purchase Agreement, including Buyer's and Sellers' respective representations, warranties, covenants, agreements, and indemnities, are not superseded by this Agreement, but remain in full force and effect to the full extent provided in the Purchase Agreement. In the event of any conflict or inconsistency between the terms of the Purchase Agreement and the terms of this Agreement, the terms of the Purchase Agreement will govern.

4. Any term or provision of this Agreement that is invalid or unenforceable in any jurisdiction will be, as to that jurisdiction, ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms or provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. Upon such determination that any term or provision of this Agreement is invalid or unenforceable, the Parties shall negotiate in good faith to modify this Agreement so as to give effect to the original intent of the Parties as closely as possible in a mutually acceptable manner so that the Transactions be consummated as originally contemplated to the greatest extent possible.

5. Section 10.7 of the Purchase Agreement is hereby incorporated by reference as if it is fully repeated herein, *mutatis mutandis*.

6. The Parties are permitted to execute this Agreement in one or more counterparts, each of such counterparts is deemed to be an original copy of this Agreement and all of which, when taken together, are deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile, electronic mail, or other means of electronic transmission (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com and www.simplyagree.com) constitutes effective execution and delivery of this Agreement as to the Parties. Signatures of the Parties transmitted by facsimile, electronic mail, or other means of electronic transmission (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com and www.simplyagree.com) are deemed to be their original signatures for all purposes.

7. Capitalized terms used in this Agreement, but not defined in this Agreement, have the meanings given to such terms in the Purchase Agreement.

[Signature Page Follows]

As of the date set forth above, each of the Parties, intending to be legally bound, has caused an authorized Representative of such Party to duly execute and deliver this Agreement on behalf of such Party.

BUYERS:

Iconix International, Inc.

By: _____
Name: Kyle Harmon
Title: Authorized Signatory

Hilco Merchant Resources, LLC

By: _____
Name: Ben Nortman
Title: Authorized Signatory

SELLERS:

Delta Apparel, Inc.

By: _____
Name:
Title:

Salt Life, LLC

By: _____
Name:
Title:

[Signature Page to Bill of Sale]

Exhibit B

Form of Contract Assumption and Assignment Agreement

[See Attached]

CONTRACT ASSIGNMENT AND ASSUMPTION AGREEMENT

This Contract Assignment and Assumption Agreement (this “Agreement”), dated as of [], 2024, is entered into by, between and among Iconix International, Inc., a Delaware corporation, or its designee (“Iconix”), Hilco Merchant Resources, LLC, a Delaware limited liability company, or its designee (“Hilco” and together with Iconix, the “Buyer”), Delta Apparel, Inc., a Georgia corporation (“Delta Apparel”), and Salt Life, LLC, a Georgia limited liability company (“Salt Life” and together with Delta, as debtors-in-possession, each, a “Seller” and collectively, “Sellers”). Buyer and Sellers are referred to individually and a “Party” and collectively as the “Parties”.

RECITALS

A. The Parties have entered into that certain Asset Purchase Agreement dated as of August 28, 2024 (the “Purchase Agreement”), pursuant to which, among other things, Sellers agreed to sell, convey, grant, assign, transfer, and deliver to Buyer, and Buyer agreed to purchase and acquire from Sellers, free and clear of all Encumbrances to the maximum extent permitted by Section 363 of the Bankruptcy Code and as provided in the Sale Order, all of each Seller’s right, title, and interest in, to, and under the Assigned Contracts (other than the Real Property Leases that are Assigned Contracts).

B. The Parties are entering into this Agreement in order to evidence the sale, conveyance, grant, assignment, transfer, and delivery of the Assigned Contracts by Sellers to Buyer and Buyer’s assumption of each Seller’s executory performance obligations under the Assigned Contracts to the extent, and only to the extent, any such executory performance obligation with respect to any such Assigned Contract relates solely to periods after the Closing and is to be performed in the Ordinary Course, subject to the terms and conditions of the Purchase Agreement.

AGREEMENT

The Parties, intending to be legally bound, hereby agree as follows:

1. In consideration of the Purchase Price, the receipt and sufficiency of which are hereby acknowledged, pursuant to Sections 105, 363 and 365 of the Bankruptcy Code, on the terms and subject to the conditions set forth in this Agreement and the Purchase Agreement, including Section 2.1(d) of the Purchase Agreement, and in the Sale Order, at the Closing, each Seller hereby sells, conveys, grants, assigns, transfers, and delivers to Buyer, and Buyer hereby purchases and acquires from such Seller, free and clear of all Encumbrances to the maximum extent permitted by Section 363 of the Bankruptcy Code and as provided in the Sale Order, all of such Seller’s right, title, and interest in, to, and under the Assigned Contracts. Buyer hereby assumes such Seller’s executory performance obligations under such Assigned Contracts to the extent, and only to the extent, any such executory performance obligation with respect to any such Assigned Contract relates solely to periods after the Closing and is to be performed in the Ordinary Course, subject to the terms and conditions of the Purchase Agreement. Each Seller shall execute and deliver, at the reasonable request of Buyer, such further instruments of sale, conveyance, grant, assignment, transfer, and delivery, and take such other actions, as Buyer reasonably requests, to more effectively consummate the foregoing.

2. The terms of the Purchase Agreement, including Buyer's and Sellers' respective representations, warranties, covenants, agreements, and indemnities, are not superseded by this Agreement, but remain in full force and effect to the full extent provided in the Purchase Agreement. In the event of any conflict or inconsistency between the terms of the Purchase Agreement and the terms of this Agreement, the terms of the Purchase Agreement will govern.

3. Any term or provision of this Agreement that is invalid or unenforceable in any jurisdiction will be, as to that jurisdiction, ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms or provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. Upon such determination that any term or provision of this Agreement is invalid or unenforceable, the Parties shall negotiate in good faith to modify this Agreement so as to give effect to the original intent of the Parties as closely as possible in a mutually acceptable manner so that the Transactions be consummated as originally contemplated to the greatest extent possible.

4. Section 10.7 of the Purchase Agreement is hereby incorporated by reference as if it is fully repeated herein, *mutatis mutandis*.

5. The Parties are permitted to execute this Agreement in one or more counterparts, each of such counterparts is deemed to be an original copy of this Agreement and all of which, when taken together, are deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile, electronic mail, or other means of electronic transmission (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com and www.simplyagree.com) constitutes effective execution and delivery of this Agreement as to the Parties. Signatures of the Parties transmitted by facsimile, electronic mail, or other means of electronic transmission (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com and www.simplyagree.com) are deemed to be their original signatures for all purposes.

6. Capitalized terms used in this Agreement, but not defined in this Agreement, have the meanings given to such terms in the Purchase Agreement.

[Signature Page Follows]

As of the date first set forth above, each of the Parties, intending to be legally bound, has caused an authorized Representative of such Party to duly execute and deliver this Agreement on behalf of such Party.

BUYER:

Iconix International, Inc.

By: _____
Name: Kyle Harmon
Title: Authorized Signatory

Hilco Merchant Resources, LLC

By: _____
Name: Ben Nortman
Title: Authorized Signatory

SELLERS:

Delta Apparel, Inc.

By: _____
Name:
Title:

Salt Life, LLC

By: _____
Name:
Title:

Exhibit C

Form of IP Assignment Agreement

[See Attached]

IP ASSIGNMENT AGREEMENT

This IP Assignment Agreement (this “Agreement”), dated as of [-], 2024, is entered into by, between and among Iconix International Inc., a Delaware corporation, or its designee (“Iconix”), Delta Apparel, Inc., a Georgia corporation (“Delta Apparel”), and Salt Life, LLC, a Georgia limited liability company (“Salt Life” and together with Delta Apparel, as debtors-in-possession, each, a “Seller” and collectively, “Sellers”). Iconix and Sellers are referred to individually as a “Party” and collectively as the “Parties”.

RECITALS

A. The Sellers, Iconix, and Hilco Merchant Resources, LLC, a Delaware limited liability company, or its designee (“Hilco” and together with Iconix, the “Buyer”) have entered into that certain Asset Purchase Agreement dated as of August 28, 2024 (the “Purchase Agreement”), pursuant to which Sellers agreed to sell, convey, grant, assign, transfer, and deliver to the Buyer, and the Buyer agreed to purchase and acquire from each Seller, free and clear of all Encumbrances to the maximum extent permitted by Section 363 of the Bankruptcy Code and as provided in the Sale Order, the Assets listed and allocated among Iconix and Hilco on Annex B of the Asset Purchase Agreement (the “Purchased Assets”).

B. The Parties are entering into this Agreement in order to evidence the sale, conveyance, grant, assignment, transfer, and delivery of the Seller IP Rights included in the Purchased Assets by Sellers to Iconix.

AGREEMENT

The Parties, intending to be legally bound, hereby agree as follows:

1. In consideration of the Purchase Price, the receipt and sufficiency of which are hereby acknowledged, each Seller hereby sells, conveys, assigns, transfers, and delivers to Iconix, and Iconix hereby acquires and accepts from such Seller, free and clear of all Encumbrances to the maximum extent permitted by Section 363 of the Bankruptcy Code and as provided in the Sale Order, all of such Seller’s right, title, and interest in, to the Seller IP Rights included in the Purchased Assets, including (i) the registrations and applications for Seller IP Rights set forth on Exhibit A, (ii) the goodwill of the Business symbolized by the Seller IP Rights included in the Purchased Assets, (iii) any Proceeding related to the Seller IP Rights included in the Purchased Assets, including all rights to and claims for damages, restitution, and injunctive relief, and other legal and equitable relief for past, present and future infringement, misuse, misappropriation and other violations, except for any and all rights pursuant to that certain Judgement in Civil Case No: 2:20-cv-590-JLB-NPM in favor of Salt Life, LLC against Salt Life Transportation, LLC and Donald Bishop, (iv) any common law rights of any Seller to the Seller IP Rights included in the Purchased Assets, (v) any moral rights and trade secrets of any Seller embodied within the Seller IP Rights included in the Purchased Assets; and (vi) all proceeds and royalties relating to the Seller IP Rights. Each Seller shall execute and deliver, at the reasonable request of Iconix, such further instruments of sale, conveyance, grant, assignment, transfer, and delivery, and take such other actions, as Iconix reasonably requests, to more effectively consummate the foregoing.

2. Each Seller hereby authorizes and requests the Commissioner of Patents and Trademarks of the United States Patent and Trademark Office and/or the United States Copyright Office, or any foreign equivalent, as applicable, to record this Agreement to evidence the assignment of the Seller IP Rights set forth on Exhibit A to Iconix. Each Seller hereby agrees that a copy of this Agreement is to be deemed a full legal and formal equivalent of any assignment, consent to file, or similar document that could be required in any country for any purpose and more particularly in proof of the right of Iconix or its nominee to claim the benefit of the right of priority provided by any applicable international convention.

3. From the date of this Agreement through December 31, 2024, each Seller shall, and shall cause its affiliates, and their respective officers, directors and employees to, promptly execute and deliver such documents, and do and perform such acts and things as Iconix, its successors, legal representatives and/or assigns may reasonably request to give effect to, document and record, perfect and enforce the assignment herein recited, including without limitation prompt production of pertinent facts and documents, giving of testimony, execution of papers, and other assistance all to the extent deemed necessary or desirable by buyer, its successors, legal representatives and/or assigns: (a) for perfecting all right, title and interest herein conveyed; (b) to record the release of any security interest recorded against any of the Seller IP Rights with the United States Patent and Trademark Office and/or the United States Copyright Office, or any foreign equivalent; (c) for prosecuting any applications herein conveyed; and (d) for legal proceedings involving any Seller IP Rights and any applications therefor, including without limitation opposition proceedings, infringement actions and court actions; provided, however, that the expense incurred by a Seller in providing such cooperation shall be paid for by Iconix.

4. The terms of the Purchase Agreement, including the Buyer's and Sellers' respective representations, warranties, covenants, agreements, and indemnities, are not superseded by this Agreement, but remain in full force and effect to the full extent provided in the Purchase Agreement. In the event of any conflict or inconsistency between the terms of the Purchase Agreement and the terms of this Agreement, the terms of the Purchase Agreement will govern.

5. Any term or provision of this Agreement that is invalid or unenforceable in any jurisdiction will be, as to that jurisdiction, ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms or provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. Upon such determination that any term or provision of this Agreement is invalid or unenforceable, the Parties shall negotiate in good faith to modify this Agreement so as to give effect to the original intent of the Parties as closely as possible in a mutually acceptable manner so that the Transactions be consummated as originally contemplated to the greatest extent possible.

6. Section 10.7 of the Purchase Agreement is hereby incorporated by reference as if it is fully repeated herein, *mutatis mutandis*.

7. The Parties are permitted to execute this Agreement in one or more counterparts, each of such counterparts is deemed to be an original copy of this Agreement and all of which, when taken together, are deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile, electronic mail, or other means of

electronic transmission (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com and www.simplyagree.com) constitutes effective execution and delivery of this Agreement as to the Parties. Signatures of the Parties transmitted by facsimile, electronic mail, or other means of electronic transmission (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com and www.simplyagree.com) are deemed to be their original signatures for all purposes.

8. Capitalized terms used in this Agreement, but not defined in this Agreement, have the meanings given to such terms in the Purchase Agreement

[Signature Page Follows]

As of the Closing Date, each of the Parties, intending to be legally bound, has caused an authorized Representative of such Party to duly execute and deliver this Agreement on behalf of such Party.

Iconix International Inc.

By: _____
Name: Kyle Harmon
Title: Authorized Signatory

SELLERS:

Delta Apparel, Inc.

By: _____
Name:
Title:

Salt Life, LLC

By: _____
Name:
Title:

Exhibit A

IP Registrations

[See Attached]

Exhibit D

Form of Agency Agreement

AGENCY AGREEMENT

This Agency Agreement (“Agreement”), effective upon the Closing (the “Closing”) of the transactions contemplated by the APA, is made as of September __, 2024, by and among Delta Apparel, Inc., a Georgia corporation, and Salt Life, LLC, a Georgia limited liability company (collectively, “Merchant” or “Debtors”) and Hilco Merchant Resources, LLC (“Agent”). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the APA (as defined below).

Section 1. Recitals.

WHEREAS, on June 30, 2024, the Debtors commenced voluntary cases under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. (the “Bankruptcy Code”), in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”), which cases are jointly administered for procedural purposes under Case No. 24-11468 (collectively, the “Bankruptcy Cases”).

WHEREAS, simultaneously with the execution hereof, Agent and Merchant entered into an Asset Purchase Agreement (the “APA”), pursuant to which, among other things, Agent and Iconix International Inc., a Delaware corporation, have acquired the Purchased Assets from Merchant;

WHEREAS, as of immediately prior to the Closing, Merchant operated 28 retail stores; Exhibit A-1 contains a list of Stores to be closed pursuant to this Agreement (collectively, the “Closing Stores”);

WHEREAS, Merchant desires that Agent act as Merchant’s exclusive agent for certain limited purposes set forth herein in connection with: (a) selling all of the Inventory¹ in the Merchant’s Closing Stores or Distribution Center (as defined below) by means of a “going out of business”, “store closing”, “sale on everything”, “everything must go”, or similar sale (“Store Advertising”) or through Agent’s wholesale channels, all in accordance with the terms of this Agreement; (b) recovering A/R (as defined in the APA); and (c) disposing of the Designated F&E (as defined below) in the Closing Stores and the Distribution Center (the foregoing clauses (a), (b) and (c), and as further described below, the “Sale”); and

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Agent and Merchant hereby agree as follows:

Section 2. Appointment of Agent/Approval Order.

(a) Upon the Closing, Merchant hereby appoints Agent, and Agent hereby agrees to serve, as Merchant’s exclusive agent for the limited purpose of conducting the Sale, all in accordance with the terms and conditions of this Agreement.

(b) Upon Closing, Agent shall be authorized to use Store Advertising with respect to Closing Stores and the Approval Order shall provide that Agent shall be required to comply with applicable federal, state and local laws, regulations and ordinances, including, without limitation, all laws and regulations relating to advertising, privacy, consumer protection, occupational health and safety and the environment, together with all applicable statutes, rules, regulations and orders of, and applicable restrictions imposed by, governmental authorities (collectively, the “Applicable General Laws”), other than all applicable laws, rules and regulations in respect of “going out of business”, “store closing” or similar-themed sales

¹ Capitalized terms used but not defined herein shall have the meaning ascribed to them in the APA.

and permitting (collectively, the “Liquidation Sale Laws”), provided that the Sale is conducted in accordance with the terms of this Agreement, the Sale Guidelines and the Approval Order.

Section 3. Proceeds.

3.1 Proceeds; Control of Proceeds.

(a) For purposes of this Agreement, “Proceeds” shall mean the aggregate of the total amount (in dollars) of all sales of Inventory made under this Agreement. For purposes of this Agreement, “Other Proceeds” shall mean, exclusive of Sales Taxes (i) the total amount (in dollars) of all sales of Designated F&E made under this Agreement; (ii) all proceeds of Merchant’s insurance for loss or damage to Inventory arising from events occurring during the Sale Term; (iii) all amounts (in dollars) recovered from bulk sales or other wholesale disposal of goods and Inventory; and (iv) the total amount (in dollars) recovered from the A/R. Merchant hereby irrevocably agree that, as compensation for Agent’s services hereunder, Agent shall receive and retain for its sole and exclusive benefit all Proceeds and Other Proceeds.

(b) For purposes of this Agreement, “Inventory” shall have the definition set forth in the APA, and shall exclude the Excluded F&E (as defined in the APA).

(c) Upon Closing, all Proceeds and Other Proceeds shall be controlled by Agent in the manner provided for below.

(1) Agent may (but shall not be required to) establish its own accounts (including without limitation credit card accounts and systems), dedicated solely for the deposit of the Proceeds and Other Proceeds and the disbursement of amounts payable to Agent hereunder (the “Agency Accounts”), and Merchant shall promptly, upon Agent’s reasonable request, execute and deliver all necessary documents to open and maintain the Agency Accounts (at Agent’s sole cost and expense, with any such costs and expenses constituting Expenses hereunder); provided, however, Agent shall have the right, in its sole and absolute discretion, to continue to use Merchant’s Designated Deposit Accounts (as defined below) as the Agency Accounts, in which case Merchant’s Designated Deposit Accounts shall be deemed to be Agency Accounts. Agent shall exercise sole signatory authority and control with respect to the Agency Accounts. If Agent establishes its own Agency Accounts, the Agency Accounts shall be dedicated solely to the deposit of Proceeds and Other Proceeds and other amounts contemplated by this Agreement and the distribution of amounts payable hereunder. Upon request, Agent shall deliver to Merchant copies of all bank statements and other information relating to the Agency Accounts; provided, however, that if Agent elects to use Merchant’s Designated Deposit Accounts as the Agency Accounts, Merchant will deliver to Agent copies of all bank statements and other information relating to such accounts. Merchant shall not be responsible for, and Agent shall pay as an Expense hereunder, any bank fees and charges, including wire transfer charges, related to the Sale and the Agency Accounts, whether received during or after the Sale Term. Upon Agent’s notice to Merchant of Agent’s designation of the Agency Accounts (other than Merchant’s Designated Deposit Accounts), all Proceeds and Other Proceeds of the Sale (including processor receivables and credit card Proceeds and Other Proceeds) shall be deposited into the Agency Accounts unless otherwise agreed to by Agent in writing.

(2) Agent shall have the right to use Merchant’s credit card facilities, including Merchant’s credit card terminals and processor(s), credit card processor coding, Merchant’s identification number(s) and existing bank accounts for credit card transactions relating solely to the Sale. In the event that Agent elects to use Merchant’s credit card facilities, Merchant shall process credit card transactions on behalf of Agent and for Agent’s account, applying customary practices and procedures. Without limiting the foregoing, Merchant shall cooperate with Agent to download data from all credit card terminals each day during the Sale Term to effect settlement with Merchant’s credit card processor(s), and

shall take such other actions necessary to process credit card transactions on behalf of Agent under Merchant's identification number(s). At Agent's reasonable request, Merchant shall cooperate with Agent to establish Merchant's identification numbers under Agent's name to enable Agent to process all such credit card Proceeds and Other Proceeds for Agent's account. Merchant shall not be responsible for, and Agent shall pay as an Expense hereunder, any credit card fees, charges, and chargebacks related to the Sale, whether received during or after the Sale Term. Agent shall not be responsible for, as an Expense or otherwise, any credit card fees, charges, or chargebacks that do not relate to the Sale, whether received prior to, during or after the Sale Term.

(3) Unless and until Agent establishes its own Agency Accounts (other than Merchant's Designated Deposit Accounts), all Proceeds, Other Proceeds, and other amounts contemplated by this Agreement (including processor receivables and credit card Proceeds and Other Proceeds), shall be collected by Merchant and deposited on a daily basis into depository accounts designated by, and owned and in the name of, Merchant (including processor receivables and credit card Proceeds and Other Proceeds), and the disbursement of amounts payable to or by Agent hereunder (the "Designated Deposit Accounts"), and Merchant will provide a daily accounting of receipts for the Designated Assets. The Designated Deposit Accounts shall be cash collateral accounts, with all cash, credit card payments, checks and similar items of payment, deposits and any other amounts in such accounts being Proceeds, Other Proceeds, or other amounts contemplated hereunder, and Merchant hereby grants to Agent a first priority senior security interest in each Designated Deposit Account to the extent of any Proceeds and Other Proceeds and any other amounts payable to Agent deposited in such accounts from and after the Sale Commencement Date. If requested by Agent, each account shall be subject to an agreement between and among Agent and Merchant, and the subject bank, providing for, among other things, that such bank will comply with instructions originated by Agent directing the disposition of funds in such account without further consent of Merchant. If, notwithstanding the provisions of this Section 3.1(b), Merchant receives or otherwise has dominion over or control of any Proceeds, Other Proceeds, or other amounts due to Agent under this Agreement, Merchant shall be deemed to hold such Proceeds, Other Proceeds, and other amounts "in trust" for Agent and shall not commingle Proceeds, Other Proceeds, or other amounts due to Agent with any of Merchant's other funds or deposit such Proceeds, Other Proceeds, or other amounts in any account except a Designated Deposit Account.

(4) On a weekly basis during the Sale Term, Merchant shall promptly pay to Agent by wire transfer all funds that are Proceeds (including from credit card sales), Other Proceeds, and all other amounts due to Agent pursuant to this Agreement that are deposited into the Designated Deposit Accounts for the prior day(s). Agent shall notify Merchant of any shortfall in such payment, in which case, Merchant shall promptly pay to Agent funds in the amount of any undisputed shortfall.

3.2 Bulk Sales. Agent shall be authorized to sell Inventory in bulk to one or more purchasers, in which case Merchant shall execute any such documents of transfer prepared by Agent at Agent's sole cost and expense.

Section 4. Expenses of the Sale.

4.1 Expenses. Agent shall be unconditionally responsible for all Expenses, which expenses shall be paid by Agent in accordance with Section 4.2 below. Agent will pre-fund all Expenses consistent with Merchant's customary funding practices and timing (the "Prefunding Obligations"); provided, however, that to the extent the actual Expenses related to the Prefunding Obligations are less than the Prefunding Obligations, Agent shall be entitled to a dollar-for-dollar credit against other Expenses or entitled to a refund of such overfunding. As used herein, "Expenses" shall mean the Closing Store-level operating expenses of the Sale which arise during the Sale Term and are attributable to the Sale, limited to the following:

(a) actual payroll (including overtime) with respect to all Retained Employees used in connection with conducting the Sale for actual days/hours worked at a Closing Store during the Sale Term, as well as payroll (including overtime) for any temporary employees/labor engaged for the Sale;

(b) any amounts payable by Merchant for benefits for Retained Employees (including payroll taxes, FICA, unemployment taxes, workers' compensation and healthcare insurance,) for Retained Employees used in the Sale, in an amount not to exceed 25.0% of the base payroll for each Retained Employee in the Closing Stores (the "Payroll Benefits Cap");

(c) the actual Occupancy Expenses (including the portion of any percentage rent obligations attributable to the sale of Inventory during the Sale Term to the extent set forth on Exhibit 4.1(c) attached hereto) for the Closing Stores on a per Closing Store and per diem basis in an amount not to exceed the aggregate per Closing Store, per category, per diem amounts set forth on Exhibit 4.1(c) attached hereto, whether due and owing or accrued during the Sale Term and due and payable after the Sale Term; provided, however, that notwithstanding the applicable Sale Termination Date with respect to each Closing Store, Agent will be responsible for rent obligations for the entire calendar month in which any such Sale Termination Date occurs; provided further, that the parties hereby acknowledge that the amounts set forth on Exhibit 4.1(c) identify Merchant's percentage rent that may become due and payable under Merchant's leases; provided further, that Agent shall only be responsible for Occupancy Expenses through no later than November 15, 2024, for the following leases purchased by L&L Wings Inc.: (i) the premises located at 207 Main Street, Huntington Beach, California, and (ii) the premises located at 157 Avenida Del Mar, San Clemente, California.

(d) Retention Bonuses for Retained Employees, as provided for in Section 9.5 below;

(e) advertising and direct mailings relating to the Sale, Closing Store interior and exterior signage and banners, and signwalkers, in each case relating to the Sale;

(f) credit card fees, bank card fees, and chargebacks and credit/bank card discounts attributable to the Sale;

(g) bank service charges (for accounts that service any Closing Store(s), corporate accounts, and Agency Accounts), check guarantee fees, wire transfer costs, and bad check expenses to the extent attributable to the Sale;

(h) costs for additional Supplies at the Closing Stores necessary to conduct the Sale as requested by Agent, including costs requested by Agent pursuant to Section 8.4;

(i) all fees and charges required to comply with applicable laws in connection with the Sale;

(j) Closing Store cash theft and other store cash shortfalls in the registers;

(k) all costs and expenses associated with Agent's on-site supervision of the Closing Stores and the Distribution Center, including (without limitation) any and all fees, wages, taxes, third party payroll costs and expenses, and deferred compensation of Agent's field personnel, travel to, from or between the Closing Stores, Distribution Center, and corporate offices, and costs and expenses relating thereto (including reasonable and documented corporate travel to monitor and manage the Sale);

(l) postage, courier and overnight mail charges to the extent relating to the Sale;

- (m) Agent's actual cost of capital (including letter of credit fees) and insurance;
- (n) Agent's costs and expenses associated with this Agreement, the APA, the Sale, or the transactions contemplated by this Agreement, including, without limitation, legal fees and expenses incurred in connection with the review of data, preparation, negotiation, and execution of this Agreement and any ancillary documents, and the Sale, if any;
- (o) third party payroll processing expenses associated with the Sale;
- (p) Distribution Center Expenses in an amount up to \$112,819 per week (exclusive of Retention Bonuses and any headcount increases requested by Agent in excess of the headcount set forth on Exhibit 4.1(p)) for every full week (prorated for partial weeks) during the Sale Term;
- (q) costs of transfers initiated by Agent of Inventory between and among the Closing Stores and Distribution Center during the Sale Term, including delivery and freight costs, it being understood that Agent shall be responsible for coordinating such transfer of Inventory;
- (r) the actual costs and expenses of Agent providing such additional services as Agent deems appropriate for the Sale.

Notwithstanding anything herein to the contrary, to the extent that any Expense category listed in Section 4.1 is also included on Exhibit 4.1(c), Exhibit 4.1(c) shall control with respect to the amount of such Expenses and such Expenses shall not be double counted. There will be no double counting or payment of Expenses to the extent that Expenses appear or are contained in more than one Expense category or are payable to Merchant.

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

(1) "Central Service Expenses" means costs and expenses for Merchant's central administrative services necessary for the Sale, including, without limitation, internal payroll processing, MIS services, cash and inventory reconciliation, data processing and reporting, email preparation and distribution, information technology, e-commerce platform operations, updates (including marketing and store locator updates during the Sale Term, but excluding any direct to consumer sales), maintenance and other services related thereto, and accounting (collectively, "Central Services").

(2) "Occupancy Expenses" means, with respect to the Closing Stores and Distribution Center (as applicable), base rent, percentage rent, HVAC, utilities, common area maintenance, storage costs, real estate and use taxes, Merchant's association dues and expenses, utilities expenses, cash register maintenance, routine repairs, building maintenance, trash and snow removal, housekeeping and cleaning expenses, local and long-distance telephone and internet/wifi expenses, security (including, without limitation, security systems, courier and guard service, building alarm service and alarm service maintenance), and rental for furniture, fixtures, and equipment.

(3) Notwithstanding any other provision of this Agreement to the contrary, "Expenses" shall not include: (i) Central Service Expenses; (ii) any rent or other occupancy expenses other than Occupancy Expenses in accordance with Section 4.1(c); (iii) any expenses of any kind relating to or arising from Merchant's corporate office; (iv) any costs or expenses other than Expenses specifically listed in Sections 4.1(a)-(r) (including, for the avoidance of doubt, any costs and expenses in excess of any monetary caps set forth in Sections 4.1(a)-(r)); and (v) any other costs, expenses, or liabilities payable by Merchant not provided for herein, all of which shall be paid solely by Merchant, as applicable, promptly when due, subject to the provisions of the Bankruptcy Code, the APA, and the Approval Order. For the

avoidance of doubt, all costs, expenses, and liabilities incurred in connection with the Sale and the transactions contemplated hereby (including those paid by Merchant) that do not constitute Expenses, including those expressly set forth in the immediately preceding sentence, shall be the responsibility of, and borne by, Merchant.

4.2 Payment of Expenses.

Agent shall be responsible for the payment of all Expenses out of Proceeds (or from Agent's own accounts if and to the extent there are insufficient Proceeds). All Expenses projected to be incurred during each week of the Sale (*i.e.* Sunday through Saturday) shall be pre-paid by Agent to Merchant in accordance with Section 4.1 and immediately following the Weekly Sale Reconciliation for any given week, any overpayments in such week shall be credited to the pre-payment of Expenses for the following week; provided, however, in the event that the actual amount of an Expense is unavailable on the date of the reconciliation (such as payroll), Merchant and Agent shall agree to an estimate of such amounts, which amounts will be reconciled once the actual amount of such Expense becomes available. Agent and Merchant may review or audit the Expenses at any time.

4.3 Distribution Center Expenses

Distribution Center Inventory shall be delivered from the Distribution Center (as defined on Exhibit A-2 hereto) to the Closing Stores at Agent's direction. All costs and expenses of operating the Distribution Center, including, without limitation, use and Occupancy Expenses, Distribution Center employee payroll and other obligations, and/or processing, transferring, consolidating, shipping, freight, and/or delivering goods within or from the Distribution Center (the "Distribution Center Expenses") shall be the responsibility of and paid by the Agent for so long as Agent uses the Distribution Center, subject to the cap set forth in Section 4.1(p).

Section 5. Vacancy of Closing Stores. Each of Agent and Merchant will use commercially reasonable efforts to vacate each Closing Store as of a calendar month-end to minimize lease expenses associated with such vacancy.

Section 6. Sale Term.

6.1 Term. Subject to satisfaction of the conditions precedent set forth in Section 10 hereof, the Sale shall commence on the Closing Date (such date, the "Sale Commencement Date"). Agent shall complete the Sale at each Closing Store no later than December 31, 2024 (the "Sale Termination Date"), and the period from the Sale Commencement Date to the applicable Sale Termination Date as to each such Closing Store being the "Sale Term"). Notwithstanding the foregoing, Agent may, in its discretion, terminate the Sale earlier with respect to a particular Closing Store upon not less than five (5) business days' prior written notice (a "Vacate Notice") to Merchant (the "Vacate Date"). If Agent fails to provide Merchant with a timely Vacate Notice, Agent will be liable for and shall pay any Occupancy Expenses arising from such untimely notice.

6.2 Vacating the Closing Stores. At the conclusion of the Sale at each Closing Store (or upon the Vacate Date applicable to a particular Closing Store), Agent agrees to leave each Closing Store in "broom clean" condition, ordinary wear and tear excepted, except for unsold items of Designated F&E and other assets or property of Merchant which may be abandoned by Agent in place in a neat and orderly manner pursuant to Section 7 below and accordance with the sale guidelines attached hereto as Exhibit 6.2 (the "Sale Guidelines"). Agent shall vacate each Closing Store on or before the Sale Termination Date as provided for herein, at which time Agent shall surrender and deliver the Closing Store premises and Closing Store keys to Merchant. Agent's obligations to pay all Expenses for the Closing Stores shall continue until

the Vacate Date for each Closing Store. Effective upon the Vacate Date, the Merchant shall reject the leases associated with the Leased Real Property for, and abandon any remaining Inventory and personal property in, the Closing Stores to be vacated as of each applicable Vacate Date. Effective as of the Sale Termination Date, the Merchant shall reject all remaining leases associated with the Leased Real Property for, and abandon any remaining Inventory and personal property in, the remaining Closing Stores to be vacated as of the Sale Termination Date.

Section 7. F&E.

7.1 F&E. Agent shall sell all personal property included as part of the Purchased Assets, excluding, for the avoidance of doubt, the Excluded F&E (collectively, "F&E") and shall be responsible for the costs and expenses incurred in connection with the disposition of the F&E, which, for the avoidance of doubt, shall not include an Occupancy Expenses for the corporate office, any payroll or benefits associated with employees at the corporate office, or any costs associated with Central Services.

7.2 Abandonment of F&E. Upon five days prior written notice to Merchant, Agent shall be authorized to abandon any and all unsold F&E in place without any cost or liability to any party.

Section 8. Conduct of the Sale.

8.1 Rights of Agent. In addition to any other rights granted to Agent elsewhere in this Agreement, Agent shall be permitted to conduct the Sale at the Closing Stores by means of Store Advertising throughout the Sale Term without compliance with any Liquidation Sale Laws. Agent shall conduct the Sale in the name of Merchant in a commercially reasonable manner and in compliance with the terms of this Agreement and subject to the Approval Order. Agent shall conduct the Sale in accordance with the Sale Guidelines. In addition to any other rights granted to Agent hereunder in conducting the Sale, Agent, in the exercise of its reasonable discretion shall have the right, in connection with the Sale and subject to the limitations set forth herein and in the Sale Guidelines:

- (a) to establish Sale prices and discounts and Closing Store hours;
- (b) except as otherwise expressly included as an Expense, to use without charge during the Sale Term all personal property and all leased or licensed personal property, computer hardware and software, existing Supplies, intangible assets (including all Intellectual Property), Closing Store keys, case keys, security codes and safe and lock combinations required to gain access to and operate the Closing Stores, and any other assets of Merchant located at the Closing Stores (whether owned, leased, or licensed);
- (c) (i) to be provided by Merchant (at no additional cost to Agent) with central office facilities, central administrative services and personnel to process and perform Central Services and provide other central office services reasonably necessary for the Sale; and (ii) to use reasonably sized offices located at Merchant's central office facility to effect the Sale;
- (d) to establish and implement advertising, signage and promotion programs consistent with this Agreement, including, without limitation, by means of media advertising, and similar interior and exterior signs and banners, and the use of sign walkers consistent with the provisions herein; and
- (e) to transfer Inventory between and among the Closing Stores at Agent's expense.

8.2 Terms of Sales to Customers; Final/As Is Sales. Subject to Agent's compliance with Applicable General Laws (as determined with reference to the Sale Order, as and when applicable),

all sales of Inventory will be “final sales” and “as is,” and all signage and sales receipts will reflect the same. Agent shall not warrant the Inventory in any manner, but will, to the extent legally permissible, pass on all manufacturers’ warranties to customers. All sales will be made only for cash, nationally recognized bank debit and credit cards or Gift Certificates. Agent shall clearly mark all receipts for the Inventory sold at the Closing Stores during the Sale Term so as to distinguish such Inventory from the goods sold prior to the Sale Commencement Date.

8.3 Sales Taxes. During the Sale Term, all sales, excise, gross receipts and other taxes attributable to sales of Inventory, as indicated on Merchant’s point of sale equipment (other than taxes on income) payable to any taxing authority having jurisdiction (collectively, “Sales Taxes”) shall be added to the sales price of Inventory and collected by Agent at the time of sale. For the avoidance of doubt, Merchant will have payment authority on the Merchant Sales Tax Account from inception until Merchant no longer has any obligation with respect to the payment of Sales Taxes hereunder. Merchant shall prepare and file all applicable reports and documents required by the applicable taxing authorities with respect to Sales Taxes incurred on transactions processed under Merchant’s identification number(s), and Merchant shall promptly pay all such Sales Taxes from the Merchant Sales Taxes Account. Merchant will be given access to the computation of gross receipts for verification of all such tax collections. Provided that Agent performs its responsibilities in accordance with this Section 8.3, Agent shall have no further obligation to Merchant, any taxing authority, or any other party. If Agent fails to perform its responsibilities in accordance with this Section 8.3, and provided Merchant complies with their obligations hereunder, Agent shall indemnify and hold harmless Merchant from and against any and all costs, including, without limitation, reasonable attorneys’ fees, assessments, fines or penalties which Merchant sustains or incurs as a result or consequence of the failure by Agent to collect Sales Taxes and/or the failure by Agent to promptly deliver any and all reports and other documents required to enable Merchant to file any requisite returns with such taxing authorities.

8.4 Supplies. Agent shall have the right to use, without charge, all existing supplies located at the Closing Stores and Distribution Center, including, without limitation, boxes, bags, paper, twine and similar sales materials (collectively, “Supplies”). In the event that additional Supplies are required in any of the Closing Stores during the Sale, Merchant agrees to promptly provide the same to Agent at Merchant’s cost therefor, if available, for which Agent shall promptly reimburse Merchant, as applicable.

8.5 Returns of Inventory. During the first thirty (30) days of the Sale Term, Agent shall accept returns of Inventory sold by Merchant prior to the Sale Commencement Date in accordance with Merchant’s return policy in effect immediately prior to the Sale Commencement Date (to the extent presented in accordance with the foregoing, each such item “Returned Inventory”). If such Returned Inventory is first quality finished goods capable of being sold, it shall be included in the Sale. For any returned item that is not otherwise capable of being resold, Merchant shall reimburse Agent for the refund issued by Agent pursuant to the Weekly Sale Reconciliation for any given week. Except to the extent that Merchant and Agent agree that Merchant’s POS or other applicable systems can account for returns of Inventory, all returns must be noted and described in a mutually agreeable return log on a weekly basis during the Sale.

8.6 Gift Certificates; Membership Program. Agent shall accept Merchant’s gift certificates, gift cards, return credits, and similar merchandise credits issued by Merchant (collectively, “Gift Certificates”) for thirty (30) days following the Sale Commencement Date (the “Redemption Period”). Merchant shall reimburse Agent in cash for all Gift Certificates redeemed during the Redemption Period as part of each Weekly Sale Reconciliation.

8.7 Sale Reconciliation. On each Wednesday during the Sale Term, commencing on the second Wednesday after the Sale Commencement Date, Agent and Merchant shall cooperate to reconcile Expenses, Proceeds and Other Proceeds, and reconcile such other Sale-related items as either party shall reasonably request, in each case for the prior week or partial week (i.e., Sunday through Saturday), all pursuant to procedures reasonably agreed upon Merchant and Agent (the “Weekly Sale Reconciliation”). Within thirty (30) days after the end of the Sale Term, or as soon as practicable thereafter, Agent and Merchant shall complete a final reconciliation of the Sale (the “Final Reconciliation”), the written results of which shall be certified by representatives of each of Merchant and Agent as a final settlement of accounts between Merchant and Agent. Within five (5) days after the completion of the Final Reconciliation and execution of a settlement letter including an appropriate mutual release, all unpaid amounts pursuant to the Final Reconciliation shall be paid to and by the appropriate parties. Once executed by Merchant and Agent, such settlement and Final Reconciliation shall be deemed approved without further order of the Bankruptcy Court (other than the Approval Order). During the Sale Term, and thereafter until all of Merchant’s and Agent’s obligations under this Agreement have been satisfied, Merchant and Agent shall have reasonable access to Merchant’s and Agent’s records with respect to the Sale (including, without limitation, Inventory, Expenses, Proceeds, and Other Proceeds) to review and audit such records.

8.8 Force Majeure. If any casualty, epidemic, pandemic, act or threatened act of war or terrorism, or act of God prevents or substantially inhibits the conduct of business in the ordinary course at any of the Closing Stores or the Distribution Center for a period of five (5) consecutive days (a “Force Majeure Event”), the Inventory located at such Closing Store shall, in Agent’s reasonable discretion (after consultation with Merchant), be eliminated from the Sale and considered to be deleted from this Agreement as of the date of such event, and Agent and Merchant shall have no further rights or obligations hereunder with respect thereto and the Purchase Price set forth in the APA shall be adjusted accordingly; provided, however, that the proceeds of any insurance attributable to such Inventory shall constitute Proceeds hereunder and shall be offset against the Purchase Price adjustment. If a Closing Store and/or Distribution Center is eliminated from the Sale due to a Force Majeure Event, Agent will use commercially reasonable efforts to transfer from such location all Inventory that is not the subject of insurance proceeds and include such Inventory in the Sale at other Closing Stores.

8.9 Right to Monitor. Merchant shall have the right to monitor the Sale and activities attendant thereto and to be present in the Closing Stores during the hours when the Closing Stores are open for business; provided that Merchant’s presence does not unreasonably disrupt the conduct of the Sale. Merchant shall also have a right of access to the Closing Stores at any time in the event of an emergency situation and shall promptly notify Agent of such emergency.

Section 9. Employee Matters.

9.1 Merchant’s Employees. Agent may use all of Merchant’s Closing Store-level employees in the conduct of the Sale to the extent Agent deems reasonably necessary for the Sale (each such employee, a “Retained Employee”), and Agent may select and schedule the number and type of Retained Employees. Notwithstanding the foregoing, Merchant’s employees shall at all times remain employees of Merchant. Agent’s selection and scheduling of Merchant’s employees shall at all times comply with all Applicable General Laws. Merchant and Agent agree that, except to the extent that wages and benefits of Retained Employees constitute Expenses hereunder, nothing contained in this Agreement and none of Agent’s actions taken in respect of the Sale shall be deemed to constitute an assumption by Agent of any of Merchant’s obligations relating to any of Merchant’s employees including, without limitation, Worker Adjustment Retraining Notification Act (“WARN Act”) claims and other termination type claims and obligations, or any other amounts required to be paid by statute or law; nor shall Agent become liable under any employment agreement, collective bargaining agreement, or be deemed a joint or successor employer with respect to such employees. Merchant shall not, without the prior consent of Agent,

raise the salary or wages or increase the benefits for, or pay any bonuses or other extraordinary payments to, any Closing Store employees prior to the Sale Termination Date. Other than in the ordinary course of business, Merchant shall not transfer any Retained Employee during the Sale Term without Agent's prior consent.

9.2 Termination of Employees. Agent may in its discretion stop using any Retained Employee at any time during the Sale, subject to the conditions provided for herein. In the event that Agent desires to cease using any Retained Employee, Agent shall notify Merchant at least seven (7) days prior thereto; provided, however, that, in the event that Agent determines to cease using an employee "for cause" (such as dishonesty, fraud or breach of employee duties), the seven (7) day notice period shall not apply; provided, further, however, that Agent shall immediately notify Merchant of the basis for such "cause." Notwithstanding any other provision hereof, Agent will indemnify Merchant with respect to any claims by Retained Employees arising from Agent's treatment of such Retained Employees.

9.3 From and after the date of this Agreement and until the Sale Termination Date, Merchant shall not transfer or dismiss employees of the Closing Stores except "for cause" without Agent's prior consent. Notwithstanding the foregoing, Agent shall not have the right to terminate the actual employment of any employee, but rather may only cease using such employee in the Sale and paying any Expenses with respect to such employee (and all decisions relating to the termination or non-termination of such employees shall at all times rest solely with Merchant). Merchant shall be entitled to terminate any Retained Employee following notification from Agent that such Retained Employee is no longer necessary to the Sale.

9.4 Payroll Matters. During the Sale Term, Merchant shall process the payroll for all Retained Employees and any former employees and temporary labor engaged for the Sale. Each Tuesday (or such other date as may be reasonably requested by Merchant to permit the funding of the payroll accounts before such payroll is due and payable) during the Sale Term, Agent shall transfer to Merchant's payroll accounts an amount equal to the base payroll for Retained Employees plus related payroll taxes, workers' compensation and benefits for such week, in the amount up to the Payroll Benefits Cap.

9.5 Employee Retention Bonuses. Agent may pay, as an Expense, retention bonuses ("Retention Bonuses") (which bonuses shall be inclusive of payroll taxes, but as to which no benefits shall be payable), up to a maximum of fifteen percent (15%) of base payroll for all Closing Store-level Retained Employees, to such Closing Store-level Retained Employees who do not voluntarily leave employment and are not terminated "for cause," as Agent may determine in its discretion. The amount of such Closing Store-level Retention Bonuses shall be in an amount to be determined by Agent, in its discretion, and shall be payable within fifteen (15) days after the Sale Termination Date, and shall be processed through Merchant's payroll system. Agent will provide Merchant with a copy of Agent's Retention Bonus plan within two (2) Business Days after the Sale Commencement Date. Agent will not use the Retention Bonus as a mechanism to encourage Retained Employees to act contrary to Merchant's best interests.

Section 10. Conditions Precedent and Subsequent.

(a) The willingness of Agent to enter into the transactions contemplated under this Agreement is directly conditioned upon the satisfaction of the following conditions at the time or during the time periods indicated, unless specifically waived in writing by Agent:

(1) All representations and warranties of Merchant hereunder shall be true and correct in all material respects and no Event of Default shall have occurred at and as of the date hereof and on the Sale Commencement Date.

(2) No later than September 13, 2024, the Bankruptcy Court shall have entered an order (the “Approval Order”) in a form reasonably satisfactory to Merchant and Agent that authorizes Merchant and Agent to enter into this Agreement and authorizes Merchant to conduct the Sale in accordance with the terms of this Agreement and provides, *inter alia*, that subject to the Closing, (i) this Agreement is in the best interest of Merchant, Merchant’s estates, creditors, and other parties in interest, (ii) this Agreement (and each of the transactions contemplated hereby) is approved in its entirety; (iii) Merchant and Agent shall be authorized to continue to take any and all actions deemed necessary or desirable to implement this Agreement and each of the transactions contemplated hereby; (iv) upon payment of the Purchase Price and the Purchase Price Adjustment Escrow Amount, Agent shall be entitled to sell all Inventory and Designated F&E hereunder free and clear of all liens, claims or encumbrances thereon; (v) Agent shall have the right to use the Closing Stores and all related Closing Store services, furniture, fixtures, equipment and other assets of Merchant as designated hereunder for the purpose of conducting the Sale, free of any interference from any entity or person, subject to compliance with the Sale Guidelines (as defined below), Approval Order, and the terms of this Agreement; (vi) Agent, as agent for Merchant, is authorized to conduct, advertise, post signs, utilize signwalkers, and otherwise promote the Sale consistent with the Store Advertising, in accordance with the Sale Guidelines (as the same may be modified and approved by the Bankruptcy Court) and without further compliance with the Liquidation Sale Laws (as defined above), subject to compliance with the Sale Guidelines and Approval Order; (vii) all newspapers and other advertising media in which the Sale is advertised shall be directed to accept the Approval Order as binding and to allow Merchant and Agent to consummate the transactions provided for in this Agreement, including, without limitation, the conducting and advertising of the Sale in the manner contemplated by this Agreement; (viii) all utilities, landlords, creditors and other interested parties and all persons acting for or on their behalf shall not interfere with or otherwise impede the conduct of the Sale, or institute any action in any court (other than in the Bankruptcy Court) with respect to Inventory or the Designated F&E or before any administrative body which in any way directly or indirectly interferes with or obstructs or impedes the conduct of the Sale; (ix) the Bankruptcy Court shall retain jurisdiction over the parties to enforce this Agreement; (x) Agent shall not be liable for any claims against Merchant other than as expressly provided for in this Agreement or the APA; (xi) subject to Agent having satisfied its payment obligations hereunder, any amounts owed by Merchant to Agent under this Agreement shall be granted the status of superpriority claims in Merchant’s Bankruptcy Case pursuant to section 364(e) of the Bankruptcy Code senior to all other superpriority claims; (xii) Agent shall be granted a valid, binding, enforceable and perfected security interest for the obligations of Merchant as provided for in Section 15 hereof (without the necessity of filing financing statements to perfect the security interests); (xiii) the Bankruptcy Court finds that time is of the essence in effectuating this Agreement and proceeding with the Sale uninterrupted; (xiv) the Bankruptcy Court finds that Merchant’s decisions to (a) enter into this Agreement and (b) perform under and make payments required by this Agreement is a reasonable exercise of Merchant’s sound business judgment consistent with its fiduciary duties and is in the best interests of Merchant, its estate, its creditors, and other parties in interest; (xv) the Bankruptcy Court finds that this Agreement was negotiated in good faith and at arm’s length between Merchant and Agent and that Agent is entitled to the protection of section 363(m) of the Bankruptcy Code; (xvi) the Bankruptcy Court finds that Agent’s performance under this Agreement will be in good faith and for valid business purposes and uses, as a consequence of which Agent is entitled to the protection and benefits of sections 363(m) and 364(e) of the Bankruptcy Code; (xvii) this Agreement is approved pursuant to Bankruptcy Code section 363; and (xviii) in the event any of the provisions of the Approval Order are modified, amended or vacated by a subsequent order of the Bankruptcy Court or any other court, Agent shall be entitled to the protections provided in Bankruptcy Code sections 363(m) and 364(e) and, no such appeal, modification, amendment or vacatur shall affect the validity and enforceability of the sale or the liens or priority authorized or created under this Agreement or the Approval Order.

(b) The willingness of Merchant to enter into the transactions contemplated under this Agreement is directly conditioned upon the satisfaction of the following conditions at the time or during the time periods indicated, unless specifically waived in writing by Merchant:

(1) All representations and warranties of Agent hereunder shall be true and correct in all material respects and no Event of Default shall have occurred at and as of the date hereof and on the Sale Commencement Date;

(2) the entry by the Bankruptcy Court of the Approval Order; and

(3) the payment of the Purchase Price and deposit of the Purchase Price Adjustment Escrow Amount with the Escrow Agent.

Section 11. Representations, Warranties, and Covenants.

11.1 Merchant's Representations, Warranties, and Covenants. Merchant hereby represents, warrants, and covenants in favor of Agent as follows:

(a) Merchant (i) is duly organized, validly existing and in good standing under the laws of its state of incorporation or formation, as applicable, (except as may be a result of the commencement and/or pendency of the Bankruptcy Cases); (ii) has all requisite corporate power and authority to own, lease and operate its assets and properties and to carry on its business as presently conducted; and (iii) is, and during the Sale Term will continue to be, duly authorized and qualified to do business and in good standing in each jurisdiction where the nature of its business or properties requires such qualification, including, prior to the Closing, all jurisdictions in which the Closing Stores are located, except, in each case, to the extent that the failure to be in good standing or so qualified would not reasonably be expected to have a material adverse effect on the ability of Merchant to execute and deliver this Agreement and perform fully its obligations hereunder.

(b) Subject to entry of the Approval Order, Merchant has the right, power and authority to execute and deliver this Agreement and each other document and agreement contemplated hereby (collectively, together with this Agreement, the "Agency Documents") and to perform fully its obligations thereunder. Subject to entry of the Approval Order, Merchant has taken all necessary actions required to authorize the execution, delivery and performance of the Agency Documents, and no further consent or approval is required for Merchant to enter into and deliver the Agency Documents, to perform its obligations thereunder and to consummate the Sale, except for any such consent the failure of which to be obtained would not reasonably be expected to have a material adverse effect on the ability of Merchant to execute and deliver this Agreement and perform fully its obligations hereunder. Subject to entry of the Approval Order, each of the Agency Documents has been duly executed and delivered by Merchant and constitutes the legal, valid and binding obligation of Merchant enforceable against it in accordance with its terms.

(c) Merchant owns, and will own at all times prior to the Closing, good and marketable title to all of the Inventory and F&E to be included in the Sale, free and clear of all Liens. Merchant shall not create, incur, assume or suffer to exist any security interest, lien or other charge or encumbrance upon or with respect to any of the Inventory or the Proceeds (or the F&E or Other Proceeds) other than as provided herein.

(d) Merchant has maintained its pricing files (including (without limitation) the Merchandise File) in the ordinary course of business, and prices charged to the public for goods are the same in all material respects as set forth in such pricing files for the periods indicated therein, and all pricing files and records are true and accurate in all material respects as to the actual cost to Merchant for purchasing the goods referred to therein and as to the selling price to the public for such goods without consideration of any point of sale discounts, as of the dates and for the periods indicated therein. Merchant represents that (i) the ticketed prices of all items of Inventory do not and shall not include any Sales Taxes and (ii) all

registers located at the Stores are programmed to correctly compute all Sales Taxes required to be paid by the customer under applicable law, as such calculations have been identified to Merchant by its retained service provider.

(e) Through the Sale Commencement Date, Merchant shall continue to ticket or mark all items of inventory received at the Closing Stores in a manner consistent with similar Inventory located at the Closing Stores, and in accordance with Merchant's ordinary course past practices and policies relative to pricing and marking inventory. Since August 1, 2024, other than in accordance with Merchant's ordinary course past practices and policies relative to pricing and marking inventory, Merchant has not removed any POS promotions, sale stickers, or other markings indicating items are on sale or on clearance from the Inventory prior to the Sale Commencement Date, and has not raised, and will not raise, prices of any Inventory, in each case, in contemplation of the Sale.

(f) Subject to the provisions of the Approval Order, Agent shall have the right to the unencumbered use and occupancy of, and peaceful and quiet possession of, the Closing Stores, the assets currently located at the Closing Stores, and the utilities and other services provided at the Closing Stores. Merchant shall, until the Closing, maintain in good working order, condition and repair all cash registers, heating systems, air conditioning systems, elevators, escalators and all other mechanical devices necessary for the conduct of the Sale at the Closing Stores. Except as otherwise restricted by the Bankruptcy Code or as provided herein and absent a bona fide dispute, until the Sale Termination Date, Merchant shall remain current on all expenses and payables necessary or appropriate for the conduct of the Sale (other than those relating to any period prior to the commencement of the Bankruptcy Cases).

(g) Subject to approval by the Bankruptcy Court or the Approval Order, Merchant will continue to pay throughout the Sale Term all self-insured or Merchant-funded employee benefit programs for Retained Employees, including health and medical benefits and insurance and all proper claims made or to be made in accordance with such programs; which amounts shall be reimbursed by Agent as Expenses pursuant to Section 4.1.

(h) Since August 1, 2024, Merchant has not intentionally taken, and shall not take, any actions with the intent of increasing the Expenses of the Sale, including without limitation increasing salaries or other amounts payable to employees, except to the extent an employee was due an annual raise in the ordinary course or in an effort to encourage one or more employees to remain in Merchant's employ (such action not being taken with any intent to increase any expense in anticipation of the Sale).

(i) From August 1, 2024 through the Sale commencement Date, Merchant covenants that it has and will continue to operate the Closing the Stores in all material respects in the ordinary course of business including without limitation by: (i) selling inventory during such period at customary prices consistent with the ordinary course of business; (ii) not promoting or advertising any sales or in-store promotions (including POS promotions) to the public outside of the Merchant's ordinary course of business; (iii) except as may occur in the ordinary course of business, not returning inventory to vendors and not transferring inventory or supplies out of or to the Stores; (iv) except as may occur in the ordinary course of business, not making any management personnel reductions in force at the Stores; and (v) replenishing the Stores in the ordinary course of business.

(j) At the Closing Stores or on the e-commerce platform, from and after August 27, 2024, Merchant shall not offer, promote, advertise, or market inconsistent with Merchant's ordinary course past practices and policies any (i) storewide promotion or storewide discount or offer or (ii) implement or continue any promotion or discount in connection with any "store closing," liquidation or similar sales commenced prior to the Sale Commencement Date.

11.2 Agent's Representations, Warranties, and Covenants. Agent hereby represents, warrants and covenants in favor of Merchant as follows:

(a) Agent: (i) is a limited liability company duly and validly existing and in good standing under the laws of the State of Delaware; (ii) has all requisite power and authority to carry on its business as presently conducted and to consummate the transactions contemplated hereby; (iii) is, and during the Sale Term will continue to be, duly authorized and qualified to do business and in good standing in each jurisdiction where the nature of its business or properties requires such qualification, including all jurisdictions in which the Closing Stores are located, except, in each case, to the extent that the failure to be in good standing or so qualified could not reasonably be expected to have a material adverse effect on the ability of Agent to execute and deliver this Agreement and perform fully its obligations hereunder.

(b) Agent has the right, power, and authority to execute and deliver each of the Agency Documents to which it is a party and to perform fully its obligations thereunder. Agent has taken all necessary actions required to authorize the execution, delivery, and performance of the Agency Documents, and no further consent or approval is required on the part of Agent for Agent to enter into and deliver the Agency Documents, to perform its obligations thereunder and to consummate the Sale. Each of the Agency Documents has been duly executed and delivered by Agent and constitutes the legal, valid and binding obligation of Agent enforceable in accordance with its terms. No court order or decree of any federal, state, or local governmental authority or regulatory body is in effect that would prevent or impair, or is required for, Agent's consummation of the transactions contemplated by this Agreement, and no consent of any third party which has not been obtained is required therefor, other than as provided herein. No contract or other agreement to which Agent is a party or by which Agent is otherwise bound will prevent or impair the consummation of the transactions contemplated by this Agreement.

(c) No action, arbitration, suit, notice, or legal administrative or other proceeding before any court or governmental body has been instituted by or against Agent, or has been settled or resolved or, to Agent's knowledge, has been threatened against or affects Agent, which questions the validity of this Agreement or any action taken or to be taken by Agent in connection with this Agreement or which, if adversely determined, would have a material adverse effect upon Agent's ability to perform its obligations under this Agreement.

(d) The Sale shall be conducted in compliance with all applicable state and local laws, rules, and regulations and Merchant's leases and other agreements, except as otherwise provided for in the Sale Guidelines and Approval Order.

(e) Absent prior consent by Merchant, Agent will not cause any non-emergency repairs or maintenance (emergency repairs are repairs necessary to preserve the security of a Closing Store premise or to ensure customer safety) to be conducted at the Closing Stores.

Section 12. Insurance.

12.1 Merchant's Liability Insurance. Merchant shall continue at its cost and expense until the Sale Termination Date, in each case, in such amounts as it currently has in effect, all of its respective liability insurance policies, including, without limitation, commercial general liability, products liability, comprehensive public liability, auto liability and umbrella liability insurance, covering injuries to persons and property in, or in connection with, Merchant's operation of the Closing Stores in effect on the date hereof; and Merchant shall cause Agent to be named as an additional named insured (as its interest may appear) with respect to all such policies. Merchant shall deliver to Agent certificates evidencing such insurance setting forth the duration thereof and naming Agent as an additional named insured, in form reasonably satisfactory to Agent. In the event of a claim under any such policies, Merchant shall be

responsible for the payment of all deductibles, retentions or self-insured amounts thereunder, unless it is determined that liability arose by reason of the willful misconduct or grossly negligent acts or omissions of Agent, or Agent's employees, independent contractors or agents. Merchant shall not make any change in the amount of any deductibles or self-insurance amounts prior to Sale Termination Date without Agent's prior written consent.

12.2 Merchant's Liability Insurance. Merchant shall continue until the Sale Termination Date fire, flood, theft and extended coverage casualty insurance, in each case, in effect on the date hereof (collectively, the "Casualty Insurance Policies") covering the Inventory in a total amount equal to no less than the Cost Value thereof. From and after the date of this Agreement until the Sale Termination Date, as applicable, all such policies will also name Agent as loss payee (as its interest may appear). In the event of a loss to the Inventory on or after the date of this Agreement, the proceeds of such insurance attributable to the Inventory shall constitute Proceeds hereunder. Merchant shall deliver to Agent certificates evidencing such insurance, setting forth the duration thereof and naming Agent as loss payee, in form and substance reasonably satisfactory to Agent. Merchant shall not make any change in the amount of any deductibles or self-insurance amounts prior to the Sale Termination Date without Agent's prior written consent.

12.3 Agent's Insurance. Agent shall maintain at Agent's cost as an Expense hereunder throughout the Sale Term, in such amounts as it currently has in effect, commercial general liability policies covering injuries to persons and property in or in connection with Agent's agency at the Closing Stores, and shall cause Merchant to be named as an additional insured with respect to such policies. Agent shall deliver to Merchant certificates evidencing such insurance policies setting forth the duration thereof and naming Merchant as an additional insured, in form and substance reasonably satisfactory to Merchant. In the event of a claim under any such policies, Agent shall be responsible for the payment of all deductibles, retentions or self-insured amounts thereunder, unless it is determined that liability arose by reason of the willful misconduct or grossly negligent acts or omissions of Merchant or Merchant's employees, as applicable, independent contractors or agents (other than Agent or Agent's employees, agents or independent contractors). Agent shall not make any change in the amount of any deductibles or self insurance amounts prior to the Sale Termination Date without Merchant's prior written consent.

12.4 Worker's Compensation Insurance. Merchant shall continue and maintain in full force and effect workers' compensation insurance (including employer liability insurance) covering all Retained Employees in compliance with all statutory requirements. For the avoidance of doubt, all cost, expenses and liabilities incurred in connection with such continuation and maintenance of workers' compensation insurance shall be the responsibility of, and borne by, Merchant.

Section 13. Indemnification.

13.1 Merchant's Indemnification. Merchant shall, severally as to itself only, indemnify and hold Agent and its officers, directors, employees, agents, representatives, and independent contractors (collectively, "Agent Indemnified Parties") harmless from and against all claims, causes of action, demands, penalties, losses, liability, damage, or other obligations, including, without limitation, reasonable attorneys' fees and expenses, directly or indirectly asserted against, resulting from or related to: (i) Merchant's material breach of or failure to comply with any of its agreements, covenants, representations or warranties contained in this Agreement; (ii) subject to Agent's compliance with its obligations under Section 8.3 hereof, any failure by Merchant to pay any Sales Taxes to the proper taxing authorities or to properly file with any taxing authorities any reports or documents required by applicable law to be filed in respect thereof; (iii) any failure of Merchant to pay to its employees any wages, salaries or benefits due to such employees during the Sale Term; (iv) any consumer warranty or products liability claims relating to Inventory sold prior to the Sale Commencement Date; (v) any liability or other claims asserted by customers, any of Merchant's employees, or any other person against any Agent Indemnified Party

(including, without limitation, claims by employees arising under collective bargaining agreements, worker's compensation, or under the WARN Act); (vi) any harassment or any other unlawful, tortious, or otherwise actionable treatment of any customers, employees or agents of Agent by Merchant or any of its representatives (other than Agent); and (vii) the gross negligence (including omissions) or willful misconduct of Merchant or its officers, directors, employees, agents (other than Agent) or representatives.

13.2 Agent Indemnification. Agent shall indemnify and hold Merchant and its officers, directors, employees, agents and representatives harmless from and against all claims, causes of action, demands, penalties, losses, liability, damage, or other obligations, including, without limitation, reasonable attorneys' fees and expenses, directly or indirectly asserted against, resulting from, or related to: (i) Agent's material breach of or failure to comply with any of its agreements, covenants, representations or warranties contained in this Agreement; (ii) any claims by any party engaged by Agent as an employee or independent contractor arising out of such employment; (iii) any harassment or any other unlawful, tortious or otherwise actionable treatment of any customers, employees or agents of Merchant by Agent or any of its representatives; (iv) any consumer warranty or products liability claims relating to Inventory sold following the Sale Commencement Date; (v) as set forth in Section 8.3 above; and (vi) the gross negligence (including omissions) or willful misconduct of Agent, its officers, directors, employees, agents or representatives.

Section 14. Defaults. The following shall constitute "Events of Default" hereunder:

(a) Merchant or Agent shall fail to perform any material obligation hereunder if such failure remains uncured ten (10) days after receipt of written notice thereof;

(b) Any representation or warranty made by Merchant or Agent proves untrue in any material respect as of the date made and, to the extent curable, continues uncured ten (10) days after written notice to the defaulting party;

(c) The entry of an order converting Merchant's Bankruptcy Case to a case under another chapter of the Bankruptcy Code (other than chapter 11) or the entry of an order appointing a chapter 11 trustee; or

(d) The Sale is terminated prior to the Sale Termination Date or materially interrupted or impaired for any reason other than (i) an Event of Default by Agent, or (ii) any other material breach or action by Agent not authorized hereunder.

Upon an Event of Default, the non-defaulting party (in the case of (a), (b), or (d) above), or Agent (in the case of (c) above) may in its discretion elect to terminate this Agreement, and any party's damages or entitlement to equitable relief on account of an Event of Default shall (in addition to the right to terminate as provided above) be determined by a court of competent jurisdiction.

Section 15. Agent's Security Interest.

(a) Subject to entry of the Approval Order and payment of the Initial Purchase Price and deposit of the Escrow Amount with the Escrow Agent at the Closing, Merchant hereby grants to Agent first priority, senior security interests in and liens upon: (i) the Inventory; (ii) all Proceeds (including, without limitation, processor receivables and credit card Proceeds); (iii) the F&E; (iv) Other Proceeds; and (vi) all "proceeds" (within the meaning of Section 9-102(a)(64) of the Code) of each of the foregoing (all of which are collectively referred to herein as the "Agent Collateral"). Upon entry of the Approval Order, but subject to the Closing and to the preceding sentence, the security interests and liens granted to Agent hereunder shall be deemed properly perfected without the necessity of filing UCC-1 financing statements or any other documentation.

(b) Subject to entry of the Approval Order and payment of Initial Purchase Price and deposit of the Escrow Amount with the Escrow Agent at the Closing, Merchant shall not sell, grant, assign or transfer any security interest in, or permit to exist any lien or encumbrance on, any of Agent Collateral other than in favor of Agent.

(c) In the event of an occurrence of an Event of Default other than by Agent, in any jurisdiction where the enforcement of its rights hereunder is sought, Agent shall have, in addition to all other rights and remedies, the rights and remedies of a secured party under the Code.

(d) “Code” shall mean the Uniform Commercial Code as the same may be in effect from time to time in the State of Delaware.

Section 16. Miscellaneous.

16.1 Notices. All notices and communications provided for pursuant to this Agreement shall be in writing and sent by email, by hand, by facsimile or by Federal Express or other recognized overnight delivery service, as follows:

If to Agent: HILCO MERCHANT RESOURCES, LLC
5 Revere Drive, Suite 206
Northbrook, IL 60062
Attn: Ian S. Fredericks and Sarah Baker
Tel: (847) 313-4779
Fax: (847) 897-0859
Email: kgrant@hilcoglobal.com

If to Merchant: Delta Apparel, Inc.
c/o Focus Management Group, Chief Restructuring
Officer
1991 Crocker Road, Suite 600
Cleveland, OH 44145
Attention: Michael Grau
Electronic Mail: m.grau@focusmg.com

with a copy to (which does not constitute notice to any Seller):

Polsinelli PC
150 N. Riverside Plaza
Suite 3000
Chicago, IL 60606
Attention: Jeremy Johnson
Electronic Mail: jeremy.johnson@polsinelli.com

16.2 Governing Law; Exclusive Jurisdiction. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Delaware, without reference to any conflict of laws provisions thereof, except where governed by the Bankruptcy Code. Each of the parties hereto irrevocably and unconditionally submits, for itself and its properties, to the exclusive jurisdiction of the Bankruptcy Court, in any action or proceeding arising out of or relating to this Agreement.

16.3 Amendments; Third Party Rights. This Agreement may not be modified except in a written instrument executed by each of the parties hereto. .

16.4 No Waiver. No consent or waiver by any party, express or implied, to or of any breach or default by the other in the performance of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other party of the same or any other obligation of such party. Failure on the part of any party to complain of any act or failure to act by the other party or to declare the other party in default, irrespective of how long such failure continues, shall not constitute a waiver by such party of its rights hereunder.

16.5 Currency. All reference to dollars in this Agreement and all schedules, exhibits, and ancillary documents related to this Agreement shall refer to US dollars.

16.6 Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon Agent and Merchant and their respective successors and permitted assigns, including, without limitation, any chapter 11 or chapter 7 trustee; provided, however, that this Agreement may not be assigned by Merchant or Agent to any party without the prior written consent of the other; further provided, however, that Agent shall have the right to syndicate this Agreement upon notice to (but not consent of) Merchant, but Agent shall remain liable under this Agreement notwithstanding such syndication.

16.7 Execution in Counterparts. This Agreement may be executed in one or more counterparts. Each such counterpart shall be deemed an original, but all such counterparts together shall constitute one and the same agreement. This Agreement, to the extent signed and delivered by means of a facsimile machine, electronic mail, or other electronic transmission in which the actual signature is evident, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto, each other party hereto or thereto shall re-execute original forms hereof and deliver them to all other parties. No party hereto shall raise the use of a facsimile machine, electronic mail, or other electronic transmission in which the actual signature is evident to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine, electronic mail, or other electronic transmission in which the actual signature is evident as a defense to the formation of a contract and each party forever waives such defense. In proving this Agreement, it shall not be necessary to produce or account for more than one such counterpart signed by the party against which enforcement is sought.

16.8 Section Headings. The headings of sections of this Agreement are inserted for convenience only and shall not be considered for the purpose of determining the meaning or legal effect of any provisions hereof.

16.9 Wiring of Funds. All amounts required to be paid by Merchant or Agent under any provision of this Agreement shall be made by wire transfer of immediately available funds which shall be wired by Merchant or Agent, as applicable, no later as 2:00 p.m. (Eastern Time) on the date that such payment is due; provided, however, that all of the information necessary to complete the wire transfer has been received by Merchant or Agent, as applicable, by 10:00 a.m. (Eastern Time) on the date that such

payment is due. In the event that the date on which any such payment is due is not a business day, then such payment shall be made by wire transfer on the next business day.

16.10 Nature of Remedies. No failure to exercise and no delay in exercising, on the part of Agent, any right, remedy, power, privilege or adjustment hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power, privilege, or adjustment hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power, privilege, or adjustment.

16.11 Effectiveness. For the avoidance, unless otherwise agreed to by Merchant and Agent in writing, this Agreement shall only become effective upon the Closing.

16.12 APA Obligations. Agent hereby covenants and agrees to comply with the provisions of the APA applicable to Agent.

16.13 Entire Agreement. This Agreement and the APA contain the entire agreement between Merchant and Agent with respect to the transactions contemplated hereby and supersedes and cancels all prior agreements, including, without limitation, all proposals, letters of intent or representations, written or oral, with respect thereto. In the event of any ambiguity, conflict or inconsistency between the terms of this Agreement and the terms of the APA, the applicable terms of this Agreement will govern and control in all respects.

IN WITNESS WHEREOF, Agent and Merchant hereby execute this Agreement by their duly authorized representatives as a sealed instrument as of the day and year first written above.

HILCO MERCHANT RESOURCES, LLC

By: _____
Print Name and Title:

By: _____
Print Name and Title:

List of Exhibits

- Exhibit A – Closing Stores & Distribution Center
- Exhibit 4.1(c) – Per Store, Per Diem Occupancy Expenses
- Exhibit 6.2 – Sale Guidelines

Exhibit A

Closing Stores & Distribution Center

Salt Life
Exhibit A-1

Store List

Loc #	Name	Address	City	State	Zip
20	Myrtle Beach	10835 Kings Rd #720	Myrtle Beach	SC	29572
21	Texas City	5855 Gulf Fwy	Texas City	TX	77591
22	Sarasota	16 S Boulevard of the Presidents	Sarasota	FL	34236
23	Fort Lauderdale	713-A E Las Olas Blvd	Fort Lauderdale	FL	33301
25	Foley	2601 S McKenzie St. #448	Foley	AL	36535
26	Hilton Head	1256 Fording Island Rd. Suite 275	Bluffton	SC	29910
27	Boca Raton	410 Plaza Real	Boca Raton	FL	33432
28	Rehoboth Beach	34986 Midway Outlet Dr. #123	Rehoboth Beach	DE	19971
29	Jupiter	128 Breakwater Ct, Suite 200	Jupiter	FL	33477
31	Pembroke	421 SW 145th Terrace	Pembroke Pines	FL	33027
32	Pompano Beach	3405 Pier St	Pompano Beach	FL	33062
33	Long Branch	80 Ocean Ave. N.	Long Branch	NJ	07740
34	Riverhead	1220 Tanger Mall Dr.	Riverhead	NY	11901
35	Deer Park	1215 The Arches Cir.	Deer Park	NY	11729
36	St Augustine	2700 FL-16 Suite 713	St. Augustine	FL	32092
37	Williamsburg	5711 Richmond Rd. Suite B030	Williamsburg	VA	23188
75	Estero	10801 Corkscrew Rd. #164	Estero	FL	33928
76	Charleston	316 King St. Suite A	Charleston	SC	29401
77	Palm Beach Gardens	3101 PGA Boulevard Suite P237	Palm Beach Gardens	FL	33410
78	Orlando	8001 S Orange Blossom Trail #252	Orlando	FL	32809
79	Key West	404 Duval St.	Key West	FL	33040
80	Destin	10676 Emerald Coast Pkwy W Space 136	Destin	FL	32550
81	Jacksonville	240 3rd St.	Jacksonville Beach	FL	32250
86	San Clemente	157 Avenida Del Mar	San Clemente	CA	92672
87	Huntington Beach	207 Main St	Huntington Beach	CA	92648
88	Daytona	1100 Cornerstone Blvd #910	Daytona Beach	FL	32117
93	Columbus	1104 Broadway	Columbus	GA	31901
98	Tampa	2312 Grand Cypress Dr. Suite 852	Lutz	FL	33559

28

Salt Life

Exhibit A-2

Distribution Centers

Loc #	Name	Address	City	State	Zip
1	Warehouse	719 Dunn Rd.	Fayetteville	NC	28312

Exhibit 4.1(c)

Per Store, Per Diem Occupancy Expenses

Exhibit 4.1(c)

Store #	Store Name	Per Diem														Total Occupancy
		70710 - Lease Expense	70550 - Postage	70560 - Communications	70580 - Contract Services	70640 - Dues & Subscriptions	70670 - General Insurance	70680 - Maintenance & Repairs	70730 - Rental Expense	70760 - Supplies--Office	70762 - Supplies--Operating	70780 - Taxes--Business Licenses	70781 - Taxes--Other	70782 - Taxes--Property	70860 - Utilities	
20	Myrtle Beach	182	-	-	4	0	-	75	-	2	38	-	8	-	22	331
21	Texas City	134	-	-	2	0	-	78	-	2	21	-	32	-	22	291
22	Sarasota	365	-	-	23	0	13	5	-	4	20	12	26	78	18	563
23	Fort Lauderdale	477	-	-	22	0	25	18	-	2	4	-	32	18	19	618
25	Foley	192	-	-	23	0	-	61	-	4	19	-	-	8	18	325
26	Hilton Head	292	-	-	1	0	-	68	-	3	38	-	40	-	23	465
27	Boca Raton	260	-	-	15	-	-	70	-	4	16	-	20	-	38	423
28	Rehoboth Beach	359	-	-	1	0	-	55	-	4	42	-	-	3	23	487
29	Jupiter	299	-	-	23	0	-	56	-	7	13	-	17	-	2	419
31	Pembroke	236	-	-	3	0	6	27	-	2	13	-	19	52	36	395
32	Pompano Beach	346	-	-	9	-	-	53	-	3	6	-	17	-	36	470
33	Long Branch	494	-	-	2	0	-	16	-	10	26	-	-	-	24	571
34	Riverhead	616	-	-	1	0	-	87	-	4	97	-	-	55	3	863
35	Deer Park	463	-	-	3	-	-	169	-	0	107	-	8	52	62	865
36	St Augustine	340	-	-	65	-	-	251	-	2	17	0	23	19	2	720
37	Williamsburg	272	-	-	2	-	-	165	-	3	55	-	-	32	17	547
75	Estero	307	-	-	14	0	10	66	-	2	16	-	21	21	15	473
76	Charleston	279	-	-	7	0	-	70	-	2	23	-	-	-	9	390
77	Palm Beach Gardens	255	-	-	4	0	65	188	-	3	18	-	35	95	24	687
78	Orlando	409	-	-	9	0	-	241	-	8	10	-	49	179	27	932
79	Key West	455	-	-	5	0	-	57	-	3	22	-	35	-	24	601
80	Destin	186	-	-	14	0	11	132	-	2	32	-	21	4	23	426
81	Jacksonville	120	-	-	12	0	33	4	-	3	16	-	8	25	47	267
86	San Clemente	140	-	-	4	0	-	63	-	2	17	-	1	-	29	257
87	Huntington Beach	543	-	-	9	0	-	166	-	2	20	-	-	-	33	773
88	Daytona	277	-	-	11	0	-	80	-	7	23	-	26	21	34	479
93	Columbus	128	-	-	23	0	-	1	-	2	16	-	-	58	10	238
98	Tampa	153	-	-	13	0	-	101	-	10	17	-	18	22	13	347
28	Total	8,580	-	-	325	6	163	2,420	-	106	761	12	457	741	652	14,224
	<i>Per Week</i>	60,063	-	-	2,278	41	1,144	16,941	-	740	5,329	84	3,201	5,184	4,563	99,567
	<i>Per Store Week</i>	2,145	-	-	81	1	41	605	-	26	190	3	114	185	163	3,556

EXHIBIT 6.2

Sale Guidelines

1. The Sales shall be conducted so that the Closing Stores in which sales are to occur will remain open no longer than during the normal hours of operation or such hours as otherwise provided for in the respective leases for the Closing Stores.
2. The Sales shall be conducted in accordance with applicable state and local “Blue Laws,” where applicable, so that no Sale shall be conducted on Sunday unless the Merchant had been operating such Closing Store on a Sunday prior to the commencement of the Sales.
3. On “shopping center” property, the Agent shall not distribute handbills, leaflets, or other written materials to customers outside of any Closing Stores’ premises, unless permitted by the lease or, if distribution is customary in the “shopping center” in which such Closing Store is located; *provided* that the Agent may solicit customers in the Closing Stores themselves. On “shopping center” property, the Agent shall not use any flashing lights or amplified sound to advertise the Sales or solicit customers, except as permitted under the applicable lease or agreed to by the landlord.
4. The Debtors and the Agent shall have the right to use and sell the Store assets and the Additional Agent Goods. The Debtors and the Agent may advertise the sale of the Store assets and the Additional Agent Goods in a manner consistent with these Sale Guidelines. The purchasers of any of the Store assets and the Additional Agent Goods sold during the Sales shall be permitted to remove the Store assets and the Additional Agent Goods either through the back or alternative shipping areas at any time, or through other areas after store business hours; *provided, however*, that the foregoing shall not apply to the sale of de minimis Store assets and Additional Agent Goods, whereby the item(s) can be carried out of the store in a shopping bag.
5. At the conclusion of the Sales, the Agent shall vacate the Closing Stores; *provided* that Agent may abandon any furniture, fixtures, and equipment (including, but not limited to, machinery, rolling stock, office equipment and personal property, and conveyor systems and racking) (“FF&E”) not sold in the Sales at the conclusion of the Sales (the “Termination Date”), without cost or liability of any kind to the Agent. The Agent shall notify the Merchant of its intention to abandon any FF&E at least two (2) days prior to the Termination Date. The Merchant will have the option to remove the FF&E, at its own cost prior to the Termination Date, or abandon the FF&E. For the avoidance of doubt, as of the Termination Date, the Agent may abandon, in place and without further responsibility or liability of any kind, any FF&E.
6. The Agent may advertise the Sales as “store closing,” “sale on everything,” “everything must go,” “everything on sale,” or similar-themed sales. The Agent may also have a “countdown to closing” sign prominently displayed in a manner consistent with these Sale Guidelines. All signs, banners, ads and other advertising material, promotions, and campaigns will be approved by the Merchant, prior to purchase, in accordance with the Consulting Agreement.

7. The Agent shall be permitted to utilize sign-walkers, display, hanging signs, and interior banners in connection with the Sales; *provided* that such sign walkers, display, hanging signs, and interior banners shall be professionally produced and hung in a professional manner. The Merchant and Agent shall not use neon or day-glo on its sign walkers, display, hanging signs, or interior banners if prohibited by the applicable lease or applicable law. Furthermore, with respect to enclosed mall locations, no exterior signs or signs in common areas of a mall shall be used unless otherwise expressly permitted in these Sale Guidelines. In addition, the Merchant and Agent shall be permitted to utilize exterior banners at (i) non-enclosed mall Closing Stores and (ii) enclosed mall Closing Stores to the extent the entrance to the applicable Closing Store does not require entry into the enclosed mall common area; *provided, however*, that such banners shall be located or hung so as to make clear that the Sales are being conducted only at the affected Closing Store, and shall not be wider than the storefront of the Closing Store. In addition, the Merchant and Agent shall be permitted to utilize sign walkers in a safe and professional manner and in accordance with the terms of the Order. Nothing contained in these Sale Guidelines shall be construed to create or impose upon the Agent or Merchant any additional restrictions not contained in the applicable lease agreement.
8. Conspicuous signs shall be posted in the cash register areas of each of the affected Closing Stores to effect that “all sales are final.”
9. Except with respect to the hanging of exterior banners, the Agent shall not make any alterations to the storefront, roof, or exterior walls of any Closing Stores, except as authorized by the applicable lease.
10. The Agent shall not make any alterations to interior or exterior Store lighting, except as authorized by the applicable lease. No property of the landlord of a Store shall be removed or sold during the Sales. The hanging of exterior banners or in-Store signage and banners shall not constitute an alteration to a Store.
11. The Agent shall keep Store premises and surrounding areas clear and orderly consistent with present practices.
12. The Agent, at the direction of the Debtors, and the landlord of any Store are authorized to enter into Side Letters without further order of the Court, *provided* that such agreements do not have a material adverse effect on the Debtors or their estates.
13. Subject to the provisions of the Agency Agreement, the Agent shall have the right to use and sell all FF&E owned by the Merchant (the “Owned FF&E”), approved by the Merchant. The Agent may advertise the sale of the Owned FF&E in a manner consistent with these guidelines and the Agency Agreement. The purchasers of any Owned FF&E sold during the sale shall be permitted to remove the Owned FF&E either through the back or alternative shipping areas at any time, or through other areas after applicable business hours, *provided, however*, that the foregoing shall not apply to *de minimis* FF&E sales made whereby the item can be carried out of the Store in a shopping bag. For the avoidance of doubt, as of the Sale Termination Date, the Agent may abandon, in place and without further responsibility, any FF&E.

14. At the conclusion of the Sales at each Store, pending assumption or rejection of applicable leases, the landlords of the Stores shall have reasonable access to the Stores' premises as set forth in the applicable leases. The Merchant, Agent and their agents and representatives shall continue to have access to the Stores as provided for in the Agency Agreement.
15. The rights of landlords against Merchant for any damages to a Store shall be reserved in accordance with the provisions of the applicable lease; *provided* that to the extent certain leases of Stores require written confirmation of receipt of a key to effectuate surrender, this requirement is waived.
16. If and to the extent that the landlord of any Store affected hereby contends that the Merchant or Agent is in breach of or default under these Sale Guidelines, such landlord shall email or deliver written notice by overnight delivery on the Merchant and Agent as follows:

If to Agent:

Hilco Merchant Resources, LLC
One Northbrook Place
5 Revere Drive, Suite 206
Northbrook, IL 60062
Email: kgrant@hilcoglobal.com
Attention: T. Kellan Grant

with copies to:

Chipman, Brown, Cicero & Cole, LLP
Hercules Plaza
1313 N. Market Street, Suite 5400
Wilmington, DE 19801
Attention: Mark L. Desgrosseilliers
Electronic mail: desgross@chipmanbrown.com

If to Merchant:

Delta Apparel, Inc.
c/o Focus Management Group, Chief Restructuring Officer
1991 Crocker Road, Suite 600
Cleveland, OH 44145
Attention: Michael Grau
Electronic Mail: m.grau@focusmg.com

with copies to:

Polsinelli PC
150 N. Riverside Plaza
Suite 3000
Chicago, IL 60606
Attention: Jeremy Johnson
Electronic Mail: jeremy.johnson@polsinelli.com

If the parties are unable to resolve the dispute, either the landlord or the Debtors shall have the right to schedule a hearing before the Court on no less than three (3) business days' written notice to the other party, served by email or overnight delivery.

Exhibit 4.1(p)

HOME DEPARTMENT	JOB TITLE	# Employees	Sum of ANNUAL SALARY	Hilco Class	WEEKLY RATE	% Term	Adjusted Weekly Rate
605PLA - Planning	00305 - Manager	1	86,400	Distribution	1,662	20% 100	332
720DIS - Distribution	00011 - Receiver	1	34,611	Distribution	666	% 100	666
720DIS - Distribution	00013 - Returns	1	31,200	Distribution	600	% 100	600
720DIS - Distribution	00050 - Warehouse Associate	13	426,400	Distribution	8,200	% 100	8,200
720DIS - Distribution	00104 - Lead	1	40,019	Distribution	770	% 100	770
720DIS - Distribution	00159 - Manager Inventory Control	1	64,563	Distribution	1,242	% 100	1,242
720DIS - Distribution	00195 - Supervisor	2	102,612	Distribution	1,973	% 100	1,973
720DIS - Distribution	00274 - VP Operations	1	167,500	Distribution	3,221	% 100	3,221
720DIS - Distribution	00305 - Manager	2	120,000	Distribution	2,308	% 100	2,308
720DIS - Distribution	10500 - Fork Lift Operator	4	149,968	Distribution	2,884	% 100	2,884
720DIS - Distribution	26101 - Shipper	1	34,320	Distribution	660	% 100	660
720DIS - Distribution	81000 - Replenisher	2	63,648	Distribution	1,224	% 100	1,224
720DIS - Distribution	82009 - Pick Packer	19	621,951	Distribution	11,961	% 100	11,961
720DIS - Distribution	83760 - Material Handler	4	116,522	Distribution	2,241	%	2,241

740SEL - Selling	00182 - Sales Administrator	1	52,500	Selling	1,010	100 %	1,010
740SEL - Selling	00228 - Sales Manager	1	135,000	Selling	2,596	100 %	2,596
740SEL - Selling	00305 - Manager	1	80,000	Selling	1,538	100 %	1,538
746MAR - Marketing	00136 - Director of Marketing	1	105,000	Corporate	2,019	20%	404
746MAR - Marketing	00328 - Marketing Specialist	1	46,350	Corporate	891	20%	178
747CUS - Customer Service	00126 - Customer Service Manager	1	58,882	Customer Service	1,132	100 %	1,132
747CUS - Customer Service	00342 - Data Analyst	1	46,350	Corporate	891	100 %	891
772ACC - Accounting	00184 - Senior Accountant	1	97,375	Corporate	1,873	100 %	1,873
775INF - Information Systems	00250 - Network Engineer	1	92,700	Corporate	1,783	100 %	1,783
785HUM - Human Resources	00151 - HR Coordinator	2	94,525	Corporate	1,818	100 %	1,818
Total		64	2,868,397		55,161		51,504