IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	:	Chapter 11
Lucky Brand Dungarees, LLC, *et al.*,[1]	:	Case No. 20-11768 (CSS)
Debtors.	:	(Jointly Administered)
	:	**Re: Docket No. 15, 233 and 251**

CERTIFICATION OF COUNSEL SUBMITTING ORDER (A) APPROVING THE PURCHASE AGREEMENT; (B) APPROVING THE SALE TO THE BUYER OF THE ACQUIRED ASSETS OF THE DEBTORS PURSUANT TO SECTION 363 OF THE BANKRUPTCY CODE FREE AND CLEAR OF ALL LIENS, CLAIMS, INTERESTS, AND ENCUMBRANCES; (C) APPROVING THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES PURSUANT TO SECTION 365 OF THE BANKRUPTCY CODE; (D) AUTHORIZING THE DEBTORS TO CONSUMMATE TRANSACTIONS RELATED TO THE ABOVE; AND (E) GRANTING OTHER RELIEF

On July 3, 2020, the above-captioned debtors and debtors in possession (collectively, the "***Debtors***") filed the *Motion of Debtors for Entry of Orders (I)(A) Approving Bidding Procedures for the Sale of the Debtors' Assets, (B) Approving Stalking Horse Protections, (C) Scheduling Auction for, and Hearing to Approve, Sale of the Debtors' Assets, (D) Approving Form and Manner of Notices of Sale, Auction and Sale Hearing, (E) Approving Assumption and Assignment Procedures, and (F) Granting Related Relief, and (II)(A) Approving Sale of the Debtors' Assets Free and Clear of All Liens, Claims, Interests, and Encumbrances, (B) Approving Assumption and*

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Lucky Brand Dungarees, LLC (3823), LBD Parent Holdings, LLC (4563), Lucky Brand Dungarees Stores, LLC (7295), Lucky PR, LLC (9578), and LBD Intermediate Holdings, LLC (7702). The Debtors' address is 540 S Santa Fe Avenue, Los Angeles, California 90013.

Assignment of Executory Contracts and Unexpired Leases, and (C) Granting Related Relief [Docket No. 15] (the "***Sale Motion***").[2]

On July 28, 2020, the Debtors filed the *Notice of Filing of Proposed Sale Order* (the "**Original Order**") [Docket No. 233].

On July 30, 2020, the Court entered the *Order (A) Approving Bidding Procedures for the Sale of the Debtors' Assets, (B) Approving Stalking Horse Protections, (C) Scheduling Auction for, and Hearing to Approve, Sale of the Debtors' Assets, (D) Approving Form and Manner of Notices of Sale, Auction and Sale Hearing, (E) Approving Assumption and Assignment Procedures, and (F) Granting Related Relief* [Docket No. 251].

On August 12, 2020, the Court held a hearing (the "**Hearing**") to consider, among other things, the relief requested in the Sale Motion. At the Hearing, the Court granted the requested relief, subject to certain revisions discussed at the Hearing being incorporated into a revised form of order.

Consistent with the record of the Hearing, the Debtors have revised the Original Order and a revised order is attached hereto as **Exhibit A** (the "**Revised Order**"). For the convenience of the Court and other interested parties, a blackline comparison of the Revised Order to the Original Order is attached hereto as **Exhibit B**. The Debtors submit that the Revised Order is appropriate and consistent with the record of the Hearing, and that the entry of the Revised Order is in the best interests of the Debtors, the estates, and their creditors. The Debtors have circulated the Revised Order to the U.S. Trustee, counsel for Rem Optical Company, Inc., counsel for the lenders, counsel for the Committee, and counsel for the Buyer and none object to its entry.

[2] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Sale Motion.

Accordingly, the Debtors respectfully request that the Court enter the Revised Order attached hereto as **Exhibit A** at the Court's earliest convenience.

Dated: August 12, 2020
Wilmington, Delaware

YOUNG CONAWAY STARGATT & TAYLOR, LLP

/s/ Kara Hammond Coyle

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Counsel for Debtors and Debtors in Possession

Exhibit A

Revised Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	:	Chapter 11
Lucky Brand Dungarees, LLC, *et al.*,[1]	:	Case No. 20-11768 (CSS)
Debtors.	:	(Jointly Administered)
	:	**Re: Docket No. 15 & 251**

ORDER (A) APPROVING THE PURCHASE AGREEMENT; (B) APPROVING THE SALE TO THE BUYER OF THE ACQUIRED ASSETS OF THE DEBTORS PURSUANT TO SECTION 363 OF THE BANKRUPTCY CODE FREE AND CLEAR OF ALL LIENS, CLAIMS, INTERESTS, AND ENCUMBRANCES; (C) APPROVING THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES PURSUANT TO SECTION 365 OF THE BANKRUPTCY CODE; (D) AUTHORIZING THE DEBTORS TO CONSUMMATE TRANSACTIONS RELATED TO THE ABOVE; AND (E) GRANTING OTHER RELIEF

Upon the motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors"), pursuant to sections 105, 363, and 365 of title 11 of the United States Code (the "Bankruptcy Code"), Rules 2002, 6004, and 6006 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rules 6004-1 and 6006-1 of the Local Rules for the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), for an order authorizing and approving the proposed sale of the Acquired Assets and the assumption and assignment of certain executory contracts and unexpired leases of the Debtors in connection therewith (including pursuant to the designation rights set forth in Section 2.7 of the asset purchase

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[2] Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Motion.

agreement of the Successful Bidder, attached hereto as **Exhibit A** (the "Purchase Agreement") and the right to conduct Store Closings and Closing Sales (each as defined in the Purchase Agreement) set forth in Section 6.13 of the Purchase Agreement) on the terms set forth in the Purchase Agreement (collectively, the "Transactions"); and the Court having taken into consideration this Court's prior order, dated July 30, 2020 [Docket No. 251] (the "Bidding Procedures Order"), approving bidding procedures for the sale of the Acquired Assets (the "Bidding Procedures") and granting certain related relief; and SPARC Group, LLC (the "Buyer") having submitted the highest or best bid for the Acquired Assets, which was the Successful Bid (as defined in the Bidding Procedures) for the Acquired Assets; and this Court having conducted a hearing to consider the Transactions on August 12, 2020 (the "Sale Hearing"), at which all interested parties were offered an opportunity to be heard with respect to the Transactions; and this Court having reviewed and considered (i) the Motion and the exhibits thereto, (ii) the Purchase Agreement, by and between the Debtors and the Successful Bidder, whereby the Debtors have agreed, among other things, to sell the Acquired Assets to the Successful Bidder, including certain executory contracts and unexpired leases of the Debtors that will be assumed and assigned to Buyer (the "Assumed Contracts and Assumed Leases"), on the terms and conditions set forth in the Purchase Agreement and any ancillary or supplemental documents executed in connection therewith, (iii) the *Declaration of Eric Winthrop in Support of Motion of Debtors for Entry of Orders (I)(A) Approving Bidding Procedures for the Sale of the Debtors' Assets, (B) Approving Stalking Horse Protections, (C) Scheduling Auction for, and Hearing to Approve, Sale of the Debtors' Assets, (D) Approving Form and Manner of Notices of Sale, Auction and Sale Hearing, (E) Approving Assumption and Assignment Procedures, and (F) Granting Related Relief, and (II)(A) Approving Sale of the Debtors' Assets Free and Clear of All Liens, Claims, Interests, and*

Encumbrances, (B) Approving Assumption and Assignment of Executory Contracts and Unexpired Leases, and (C) Granting Related Relief [Docket No. 15] (the "Winthrop Declaration"), the *Declaration of Mark Renzi, Chief Restructuring Officer of the Debtors, in Support of Motion of Debtors for Entry of Orders (I)(A) Approving Bidding Procedures for the Sale of the Debtors' Assets, (B) Approving Stalking Horse Protections, (C) Scheduling Auction for, and Hearing to Approve, Sale of the Debtors' Assets, (D) Approving Form and Manner of Notices of Sale, Auction and Sale Hearing, (E) Approving Assumption and Assignment Procedures and (F) Granting Related Relief, and (II)(A) Approving Sale of the Debtors' Assets Free and Clear of All Liens, Claims, Interests and Encumbrances, (B) Approving Assumption and Assignment of Executory Contracts and Unexpired Leases, and (C) Granting Related Relief* [Docket No. 313] (the "Renzi Declaration"), the *Declaration of Alan Fragen, Independent Director of LBD Parent Holdings, LLC, in Support of Motion of Debtors for Entry of Orders (I)(A) Approving Bidding Procedures for the Sale of the Debtors' Assets, (B) Approving Stalking Horse Protections, (C) Scheduling Auction for, and Hearing to Approve, Sale of the Debtors' Assets, (D) Approving Form and Manner of Notices of Sale, Auction and Sale Hearing, (E) Approving Assumption and Assignment Procedures and (F) Granting Related Relief, and (II)(A) Approving Sale of the Debtors' Assets Free and Clear of All Liens, Claims, Interests and Encumbrances, (B) Approving Assumption and Assignment of Executory Contracts and Unexpired Leases, and (C) Granting Related Relief* [Docket No. 311] (the "Fragen Declaration"), the *Declaration of Jeff Branman in Support of Motion of Debtors for Entry of Orders (I)(A) Approving Bidding Procedures for the Sale of the Debtors' Assets, (B) Approving Stalking Horse Protections, (C) Scheduling Auction for, and Hearing to Approve, Sale of the Debtors' Assets, (D) Approving Form and Manner of Notices of Sale, Auction and Sale Hearing, (E) Approving Assumption and Assignment Procedures and*

(F) Granting Related Relief, and (II)(A) Approving Sale of the Debtors' Assets Free and Clear of All Liens, Claims, Interests and Encumbrances, (B) Approving Assumption and Assignment of Executory Contracts and Unexpired Leases, and (C) Granting Related Relief [Docket No. 335] (the "Branman Declaration"), and the *Declaration of Benjamin L. Nortman in Support of Motion of Debtors for Entry of Orders (I)(A) Approving Bidding Procedures for the Sale of the Debtors' Assets, (B) Approving Stalking Horse Protections, (C) Scheduling Auction for, and Hearing to Approve, Sale of the Debtors' Assets, (D) Approving Form and Manner of Notices of Sale, Auction and Sale Hearing, (E) Approving Assumption and Assignment Procedures and (F) Granting Related Relief, and (II)(A) Approving Sale of the Debtors' Assets Free and Clear of All Liens, Claims, Interests and Encumbrances, (B) Approving Assumption and Assignment of Executory Contracts and Unexpired Leases, and (C) Granting Related Relief* [Docket No. 321] (the "Nortman Declaration," and together with the Winthrop Declaration, the Renzi Declaration, the Fragen Declaration, the Branman Declaration, and the Nortman Declaration, the "Sale Declarations"), (iv) the *Debtors' Privacy Policies as of the Petition Date* [Docket No. 334], (v) the *Statement of the Official Committee of Unsecured Creditors in Support of the Debtors' Proposed Sale of Assets to the Stalking Horse Bidder* [Docket No. 322], (vi) the Debtors' omnibus response to certain objections [Docket No. 337], and (vii) the arguments of counsel made, and the evidence proffered and adduced, at the Sale Hearing; and due notice of the Motion and the form of this order (this "Sale Order") having been provided; and all objections to the Transactions and the Sale Order having been withdrawn, resolved, or overruled; and it appearing that the relief granted herein is in the best interests of the Debtors, their estates, creditors, and all parties in interest in these Chapter 11 Cases; and upon the record of the Sale Hearing and these Chapter 11 Cases; and after due deliberation and sufficient cause appearing therefor, it is hereby

FOUND AND DETERMINED THAT:

A. **Fed. R. Bankr. P. 7052**. The findings and conclusions set forth herein constitute this Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052 made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent 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. **Jurisdiction and Venue**. This Court has jurisdiction to decide the Motion and approve the Transactions 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 as of February 29, 2012. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and the Court may enter a final order hereon under Article III of the U.S. Constitution. Venue of these Chapter 11 Cases and the Motion in this District is proper under 28 U.S.C. §§ 1408 and 1409.

C. **Statutory and Rule Predicates**. The statutory and other legal predicates for the relief granted herein are sections 105(a), 363, and 365 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 6006, and 9014, Local Rules 6004-1 and 6006-1.

D. **Opportunity to Object**. A fair and reasonable opportunity to object to, and be heard with respect to, the Motion and the Transactions has been given to all Persons entitled to notice pursuant to the Bidding Procedures Order, including, but not limited to, the following: (i) the U.S. Trustee, (ii) counsel to the Official Committee of Unsecured Creditors, Pachulski Stang Ziehl & Jones LLP, (iii) Choate Hall & Stewart LLP, counsel to Wells Fargo Bank, N.A., as administrative agent under the First Lien Credit Agreement, (iv) Greenberg Traurig, LLP, counsel to Wells Fargo Bank, N.A., term agent under the First Lien Credit Agreement, (v) DLA Piper LLP (US), counsel to certain of the Second Lien Lenders, certain of the DIP Lenders, and the DIP

Lender Representative, (vi) Paul, Weiss, Rifkind, Wharton & Garrison LLP, counsel to SPARC, (vii) Paul Hastings LLP, counsel to Hilco Merchant Resources LLC, (viii) Richards, Layton & Finger, PA, counsel to Clover Holdings II, LLC, (ix) Alston & Bird LLP, counsel to Wilmington Trust, N.A. as Second Lien Term Loan A Agent, (x) all potential buyers previously identified or solicited by the Debtors or their advisors and any additional parties who have expressed an interest to the Debtors or their advisors in potentially acquiring the Debtors' assets, (xi) the Banks, (xii) the Securities and Exchange Commission, (xiii) the United States Attorney's Office for the District of Delaware, (xiv) all non-Debtor parties to the Assumed Contracts and Assumed Leases, (xv) all applicable federal, state, and local taxing and regulatory authorities, (xvi) all known plaintiffs or co-defendants in civil litigation filed against the Debtors, or their counsel; (xvii) all known parties holding or asserting a lien or other security interest in the Debtors' assets, (xviii) all of the Debtors' known creditors, and (xix) any party that has requested notice pursuant to Bankruptcy Rule 2002. *See* Docket Nos. 127, 165, 180, 303, 304, and 305.

E. **Final Order**. This Sale Order constitutes a final order within the meaning of 28 U.S.C. § 158(a).

F. **Sound Business Purpose**. The Debtors have demonstrated good, sufficient, and sound business purposes and justifications for approval of the Purchase Agreement and Transactions and for entering into the Purchase Agreement. The Debtors' entry into and performance under the Purchase Agreement (i) constitutes a sound and reasonable exercise of the Debtors' business judgment; (ii) provides value to and is beneficial to the Debtors' estates, and is in the best interests of the Debtors and their stakeholders; and (iii) is reasonable and appropriate under the circumstances. Business justifications for the Transactions include, but are not limited to, the following: (a) the Purchase Agreement constitutes the highest or best offer received for the

Acquired Assets; (b) the Purchase Agreement presents the best opportunity to maximize the value of the Acquired Assets on a going concern basis and avoid decline and devaluation of the Acquired Assets; (c) unless the Transactions are concluded expeditiously, as provided for pursuant to the Purchase Agreement, certainty of consummating the Transactions will be compromised and recoveries to creditors may be materially diminished; and (d) the value of the Debtors' estates will be maximized through the sale of the Acquired Assets pursuant to the Purchase Agreement.

G. **Compliance with Bidding Procedures Order**. The Debtors and Buyer complied with the Bidding Procedures Order and the Bidding Procedures in all respects. Buyer was the Successful Bidder (as defined in the Bidding Procedures) for the Acquired Assets in accordance with the Bidding Procedures Order and Bidding Procedures.

H. **Credit Bid**.[3] Pursuant to the Bidding Procedures, applicable law, including Bankruptcy Code sections 363(b) and 363(k), and in accordance with the Final DIP Order (as defined below), the Second Lien Lenders were authorized to credit bid the obligations under the Second Lien Term Loan A Facility and the Second Lien Term Loan B Facility, as well as adequate protection obligations granted pursuant to the Final DIP Order (such obligations, collectively, the "Second Lien Obligations"), and the DIP Lenders were authorized to credit bid the DIP Obligations for the Acquired Assets. Pursuant to the *Letter Regarding Lender Direction under the Asset Purchase Agreement* [Docket No. 248] and the *JV Side Letter* [Docket No. 321-1], the Second Lien Lenders committed to credit bidding Second Lien Obligations in the amount of $40,000,000 and arranged for the DIP Lenders to credit bid DIP Obligations in the amount of $11,500,000 (collectively, the "Credit Bid"), with the balance of the consideration for the Acquired

[3] Capitalized terms used in this paragraph but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Final DIP Order.

Assets under the Purchase Agreement consisting of cash and the Buyer's assumption of the Assumed Liabilities. No additional or further evidence of the Buyer's ability to include the Credit Bid as consideration within the Purchase Agreement is required. The Credit Bid, plus the cash consideration and assumption of the Assumed Liabilities, was a valid and proper offer pursuant to the Bidding Procedures Order and Bankruptcy Code sections 363(b) and 363(k). There is no cause to limit the amount of the Credit Bid pursuant to section 363(k) of the Bankruptcy Code.

I. **Highest or Best Value**. The Debtors and their advisors, including Berkeley Research Group, LLC and Houlihan Lokey Capital, Inc., 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 pursuant to the Bidding Procedures Order and Bidding Procedures, and conducted a fair and open sale process. The Bidding Procedures Order, the Bidding Procedures, and the process utilized pursuant thereto were designed to obtain the highest or best value for the Acquired Assets for the Debtors and their estates, and any other transaction would not have yielded as favorable an economic result. The sale process and the Bidding Procedures were non-collusive, duly noticed, and provided a full, fair, and reasonable opportunity for any entity to make an offer to purchase the Acquired Assets.

J. No other person or entity or group of persons or entities has offered to purchase the Acquired Assets for an amount that would give an opportunity for equal or greater value to the Debtors than the value provided by the Buyer pursuant to the Purchase Agreement. Execution of the Transactions is the best alternative available to the Debtors to maximize the return to their creditors and limit the losses to counterparties to the Assumed Contracts and Assumed Leases. No alternative to the Transactions exists that would provide a greater value to the Debtors, their creditors or other parties in interest.

K. The sale and assignment of the Acquired Assets outside of a plan of reorganization pursuant to the Purchase Agreement neither impermissibly restructures the rights of the Debtors' creditors nor impermissibly dictates the terms of any chapter 11 plan of the Debtors. Neither the Purchase Agreement nor the Transactions contemplated thereby constitutes a *sub rosa* chapter 11 plan.

L. **Fair Consideration**. The consideration to be paid by Buyer under the Purchase Agreement constitutes fair and reasonable consideration for the Acquired Assets.

M. **Good Faith**. The Purchase Agreement and each of the transactions contemplated therein were negotiated, proposed, and entered into by the Debtors and Buyer in good faith, without collusion, and from arms'-length bargaining positions. Buyer is a "good faith Buyer" within the meaning of section 363(m) of the Bankruptcy Code and, as such, is entitled to all the protections afforded thereby. Neither the Debtors nor Buyer have engaged in any conduct that would cause or permit the Purchase Agreement to be avoided or costs and damages to be imposed under section 363(n) of the Bankruptcy Code. The Purchase Agreement was not entered into for the purpose of hindering, delaying, or defrauding present or future creditors of the Debtors. Neither the Debtors nor the Buyer is entering into the Purchase Agreement, or proposing to consummate the Transactions, fraudulently, for the purpose of statutory and common law fraudulent conveyance and fraudulent transfer claims whether under the Bankruptcy Code or under the laws of the United States, any state, territory, possession thereof, or the District of Columbia.

N. The sale of the Acquired Assets is consistent with the Debtors' policy concerning the transfer of personally identifiable information and the Debtors have, to the extent necessary, satisfied section 363(b)(1) of the Bankruptcy Code. Accordingly, appointment of a consumer

ombudsman pursuant to section 363(b)(1) or section 332 of the Bankruptcy Code is not required with respect to the relief requested in the Motion.

O. **Notice**. As evidenced by the affidavits of service filed with this Court: (i) proper, timely, adequate, and sufficient notice of the Motion, the bidding process (including the deadline for submitting bids), the Sale Hearing, the Transactions, and the proposed Sale Order was provided by the Debtors to all interested parties; (ii) such notice was good, sufficient, and appropriate under the particular circumstances and complied with the Bidding Procedures Order, Bankruptcy Code sections 102(1) and 363(b), Bankruptcy Rules 2002, 6004, 6006, 9006, 9007, 9008, and 9014, Local Rules 6004-1 and 6006-1, and the procedural due process requirements of the United States Constitution; and (iii) no other or further notice of the Motion, the Transactions, the Bidding Procedures, the Sale Hearing, or the proposed Sale Order is required. *See* Docket Nos. 127, 165, 180, 303, and 304. With respect to Persons whose identities are not reasonably ascertained by the Debtors, publication of the notice in the National Edition of *The Wall Street Journal*, on August 4, 2020, was sufficient and reasonably calculated under the circumstances to reach such Persons. *See* Docket No. 305.

P. **Cure Notice**. As evidenced by the certificates of service filed with this Court, and in accordance with the provisions of the Bidding Procedures Order, the Debtors have served notice of the potential assumption and assignment of the Assumed Contracts and Assumed Leases and of the related proposed Cure Costs (as defined below) upon each non-Debtor party to the Assumed Contracts and Assumed Leases (the "Cure Notice") and served a supplemental notice to the same parties that received the Cure Notice (the "Supplemental Notice to Contract Counterparties"). The service of the Cure Notice and the Supplemental Notice to Contract Counterparties was good, sufficient, and appropriate under the circumstances and no further notice need be given with

respect to the proposed Cure Costs for the assumption and assignment of the Assumed Contracts and Assumed Leases. All non-Debtor parties to the Assumed Contracts and Assumed Leases have had a reasonable opportunity to object both to the proposed Cure Costs listed on the Cure Notice and to the assumption and assignment of the Assumed Contracts and Assumed Leases to Buyer. No defaults exist in the Debtors' performance under the Assumed Contracts and Assumed Leases (provided however that nothing in this Sale Order is making a determination as to any defaults or alleged defaults contained in any timely-filed objection as to Designated Contracts or Designated Leases, to the extent such objections have been continued for future adjudication to the extent necessary) as of the date of this Sale Order other than the failure to pay the Cure Costs or defaults that are not required to be cured.

Q. **Satisfaction of Section 363(f) Standards**. Subject to paragraph 21 of this Sale Order, the Debtors may sell the Acquired Assets free and clear of all liens, claims (including those that constitute a "claim" as defined in section 101(5) of the Bankruptcy Code), rights, liabilities, encumbrances and other interests of any kind or nature whatsoever against the Debtors or against the Acquired Assets arising prior to the Closing of the Transaction (collectively, "Claims"), including, without limitation, any debts arising under or out of, in connection with, or in any way relating to, any acts or omissions, obligations, demands, guaranties, rights, contractual commitments, restrictions, product liability claims, any and all claims arising under state or federal antitrust laws, environmental liabilities (to the greatest extent allowed by applicable law), employee pension or benefit plan claims, multiemployer benefit plan claims, workers' compensation claims, retiree healthcare or life insurance claims or claims for taxes of or against the Debtors, and any derivative, vicarious, transferee or successor liability claims, rights or causes of action (whether in law or in equity, under any law, statute, rule or regulation of the United

States, any state, territory, or possession thereof or the District of Columbia), whether arising prior to or subsequent to the commencement of these Chapter 11 Cases, whether known or unknown, and whether imposed by agreement, understanding, law, equity or otherwise arising under or out of, in connection with, or in any way related to the Debtors, the Debtors' interests in the Acquired Assets, the operation of the Debtors' business before the Closing (as defined below), or the transfer of the Debtors' interests in the Acquired Assets to Buyer, and all Excluded Liabilities (as defined in the Purchase Agreement), but excluding any Assumed Liabilities (as defined in the Purchase Agreement) and Permitted Post-Closing Liens (as defined in the Purchase Agreement), because, in each case, one or more of the standards set forth in section 363(f)(1)-(5) of the Bankruptcy Code have been satisfied. Those holders of Claims who did not object (or who ultimately withdrew their objections, if any) to the Transactions or the Motion are deemed to have consented pursuant to section 363(f)(2) of the Bankruptcy Code. Those holders of Claims who did object that have an interest in the Acquired Assets fall within one or more of the other subsections of section 363(f) of the Bankruptcy Code and are therefore adequately protected by having their Claims that constitute interests in the Acquired Assets attach solely to the proceeds of the Transactions ultimately attributable to the property in which they have an interest, in the same order of priority and with the same extent, validity, force, and effect that such holders had prior to the Transactions, subject to any rights, claims, and defenses that the Debtors' estates and/or the Debtors, as applicable, may possess with respect thereto. All Persons having Claims of any kind or nature whatsoever against the Debtors or the Acquired Assets shall be forever barred, estopped, and permanently enjoined from pursuing or asserting such Claims against Buyer or any of its assets, property, Affiliates (including any Person who may at any time from the Agreement Date until the

Closing serve as a director, officer, manager, employee or advisor of any Seller), successors, assigns, or the Acquired Assets.

R. Buyer would not have entered into the Purchase Agreement and would not consummate the transactions contemplated thereby, thus adversely affecting the Debtors and their estates and their creditors, if the sale of the Acquired Assets was not free and clear of all Claims, or if Buyer would, or in the future could, be liable for any such Claims.

S. The total consideration to be provided under the Purchase Agreement, reflects Buyer's reliance on the Sale Order to provide it with title to and possession of the Acquired Assets free and clear of all Claims.

T. **Payment in Full of First Lien Obligations.** On the Closing Date or as soon thereafter as practicable and no later than one (1) business day after, in accordance with section 4.6(b) of the *Final Order Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, 503, 507 and 552 (I) Authorizing the Debtors to (A) Obtain Postpetition Financing, and (B) Use Cash Collateral; (II) Granting Adequate Protection to the Prepetition Lenders; (III) Granting Liens and Superpriority Claims; (IV) Modifying the Automatic Stay; and (V) Granting Related Relief*, dated July 30, 2020 [Docket No. 246] (the "Final DIP Order"), the Buyer shall apply proceeds from the Transactions to cause the First Lien Obligations (as defined therein) to be Paid in Full (as defined therein).

U. **Wind-Down Funding**. In accordance with Section 5.10(g) of the Final DIP Order, proceeds from the Transactions shall be used to fund the Wind-Down Account (as defined in the Final DIP Order).

V. **Assumption and Assignment of Assumed Contracts and Assumed Leases**. The assumption and assignment of the Assumed Contracts and Assumed Leases, and the Buyer's designation rights with respect to Designated Contracts and Designated Leases (each, as defined

in the Purchase Agreement) are integral to the Purchase Agreement, are in the best interests of the Debtors and their estates, and represent the valid and reasonable exercise of the Debtors' sound business judgment. Specifically, the designation rights and the assumption and assignment of the Assumed Contracts and Assumed Leases (i) are necessary to sell the Acquired Assets to Buyer; (ii) allow the Debtors to sell their business to Buyer as a going concern; (iii) limit the losses suffered by non-Debtor parties to the Assumed Contracts and Assumed Leases; and (iv) maximize the recoveries to other creditors of the Debtors by limiting the number and total asserted amount of claims against the Debtors' estates by avoiding the rejection of the Assumed Contracts and Assumed Leases.

W. With respect to each of the Assumed Contracts and Assumed Leases, the Debtors have met all of the requirements of section 365(b) of the Bankruptcy Code. The cure amounts required to be paid pursuant to Bankruptcy Code section 365(b), whether agreed upon or judicially resolved (the "Cure Costs"), are deemed to be the entire cure obligation due and owing under the Assumed Contracts and Assumed Leases under Bankruptcy Code section 365(b). Further, Buyer has provided adequate assurance of future performance under the Assumed Contracts and Assumed Leases in satisfaction of sections 365(b) and 365(f) of the Bankruptcy Code. Accordingly, the Assumed Contracts and Assumed Leases may be assumed by the Debtors and assigned to Buyer as provided for in the Purchase Agreement and herein.

X. **Validity of Transfer**. The transfer of the Acquired Assets to Buyer in accordance with the Purchase Agreement will be a legal, valid, and effective transfer of the Acquired Assets, and will vest Buyer with all right, title, and interest of the Debtors in respect of the Acquired Assets, free and clear of all Claims (subject to paragraph 21 herein and other than the Assumed Liabilities and Permitted Post-Petition Liens). The consummation of the Transactions is legal,

valid, and properly authorized under all applicable provisions of the Bankruptcy Code, including, without limitation, sections 105(a), 363(b), 363(f), 363(m), 365(b), and 365(f) of the Bankruptcy Code and all of the applicable requirements of such sections have been complied with in respect of the Transactions.

Y. Pursuant to the *LBD Parent Holdings, LLC Unanimous Written Consent of the Board in Lieu of a Meeting* dated July 3, 2020 [Docket No. 1] and the *LBD Parent Holdings, LLC Unanimous Written Consent of the Special Committee of the Board in Lieu of a Meeting*, dated July 3, 2020 [Docket No. 1], the Debtors (i) have full corporate power and authority to execute the Purchase Agreement and all other documents contemplated thereby, and the Transactions have been duly and validly authorized by all necessary corporate action of the Debtors; (ii) have all of the corporate power and authority necessary to consummate the transactions contemplated by the Purchase Agreement; and (iii) upon entry of this Sale Order, other than any consents identified in the Purchase Agreement (including with respect to antitrust or other regulatory matters), need no consent or approval from any other Person to consummate the Transactions.

Z. The Acquired Assets of the Debtors constitute property of their estates and good title is vested in the Debtors' estates within the meaning of section 541(a) of the Bankruptcy Code.

AA. The Purchase Agreement is a valid and lawful contract binding upon each of the signatories thereto and shall be enforceable pursuant to its terms. As noted in paragraph H above, the Second Lien Lenders have committed to the Credit Bid as set forth in the Purchase Agreement. The Purchase Agreement was not entered into for the purpose of hindering, delaying, or defrauding creditors under the Bankruptcy Code or under laws of the United States, any state, territory, possession, or the District of Columbia. This Sale Order, the Purchase Agreement, and, upon Closing, the Transactions, and the consummation thereof, shall be specifically enforceable against

and binding upon (without posting any bond) the Buyer, the Debtors, any chapter 7 or chapter 11 trustee appointed in these Chapter 11 Cases, and shall not be subject to rejection or avoidance by the foregoing parties or any other Person.

BB. **Waiver of Bankruptcy Rules 6004(h) and 6006(d)**. The sale of the Acquired Assets must be approved and consummated promptly in order to preserve the value of the Acquired Assets. Therefore, time is of the essence in consummating the Transactions, and the Debtors and Buyer intend to close the Transactions as soon as reasonably practicable. The Debtors have demonstrated compelling circumstances and a good, sufficient, and sound business purpose and justification for the immediate approval and consummation of the Transactions as contemplated by the Purchase Agreement. Accordingly, there is sufficient cause to lift the stay contemplated by Bankruptcy Rules 6004(h) and 6006(d) with regards to the transactions contemplated by this Sale Order.

CC. **Legal and Factual Bases**. The legal and factual bases set forth in the Motion, the Sale Declarations, and at the Sale Hearing establish just cause for the relief granted herein.

NOW THEREFORE, IT IS ORDERED THAT:

1. **Motion is Granted**. The Motion and the relief requested therein is granted and approved as set forth herein.

2. **Objections Overruled**. All objections to the Motion or the relief requested therein that have not been withdrawn or otherwise resolved are hereby overruled on the merits and with prejudice. For the avoidance of doubt, this Sale Order shall not overrule any objections with respect to the Assumed Contracts and Assumed Leases (and nothing in this Sale Order is making a determination as to any timely-filed objections as to Designated Contracts or Designated Leases, to the extent such objections have been continued for future adjudication to the extent necessary)

that have been set for or adjourned to a later date and not heard at the Sale Hearing, including certain objections concerning adequate assurance of future performance and/or proposed Cure Costs pursuant to the procedures set forth herein and in the Bidding Procedures Order.

3. **Notice.** Notice of the Sale Hearing was fair and equitable under the circumstances and complied in all respects with section 102(1) of the Bankruptcy Code and Bankruptcy Rules 2002, 6004, and 6006.

4. **Fair Purchase Price**. The consideration provided by Buyer under the Purchase Agreement is fair and reasonable and constitutes (i) reasonably equivalent value under the Bankruptcy Code, the Uniform Fraudulent Transfer Act or the Uniform Voidable Transactions Act; (ii) fair consideration under the Uniform Fraudulent Conveyance Act; and (iii) reasonably equivalent value, fair consideration and fair value under any other applicable laws of the United States, any state, territory or possession or the District of Columbia.

5. **Approval of the Purchase Agreement**. The Purchase Agreement, including all transactions contemplated thereby and all of the terms and conditions thereof, is hereby approved in its entirety. The failure to specifically include or reference in this Sale Order any particular provisions of the Purchase Agreement, or any of the documents, agreements, or instruments related thereto and executed in connection therewith, shall not diminish or impair the effectiveness of such provisions, documents, agreements, or instruments, it being the intent of this Court that entry into the Purchase Agreement be authorized and approved in its entirety.

6. **Consummation of Transactions**. Pursuant to sections 105, 363, and 365 of the Bankruptcy Code, the Debtors, as well as their officers, employees, and agents, are authorized to execute, deliver, and perform their obligations under and comply with the terms of the Purchase Agreement and to consummate the Transactions, including by taking any and all actions as may

be reasonably necessary or desirable to implement the Transactions and each of the transactions contemplated thereby or to otherwise effectuate the relief granted pursuant to this Sale Order.

7. The Debtors, their Affiliates, and 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 Purchase Agreement and to take all further actions as may be reasonably (i) requested by Buyer for the purpose of assigning, transferring, granting, conveying, and conferring to Buyer, or reducing to Buyer's possession, the Acquired Assets or (ii) necessary or appropriate to the performance of the obligations contemplated by the Purchase Agreement, all without further order of this Court.

8. All Persons that are currently in possession of some or all of the Acquired Assets are hereby directed to surrender possession of such Acquired Assets to Buyer as of the Closing.

9. Pursuant to this Sale Order and the Purchase Agreement, on the Closing Date, (a) the Buyer shall acquire the Purchased Actions as an Acquired Asset, and (b) the Released Actions shall be waived and released pursuant to the terms of Purchase Agreement. In accordance with section 4.6(b) of the Final DIP Order, on the Closing Date, the Buyer shall apply proceeds from the Transactions to cause the First Lien Obligations (as defined in the Final DIP Order) to be Paid in Full (as defined in the Final DIP Order). For the avoidance of doubt, any Purchased Action arising under Chapter 5 of the Bankruptcy Code against any customer, supplier, manufacturer, distributor, broker, landlord or vendor of any Seller or any other Person with whom any Seller has an ordinary course commercial relationship shall be a Released Action.

10. Each and every federal, state, local, or foreign government or governmental or regulatory authority, agency, board, bureau, commission, court, department, or other governmental

entity is hereby authorized and directed to accept any and all documents and instruments reasonably necessary or appropriate to consummate the transactions contemplated by the Purchase Agreement.

11. Nothing in this Sale Order or the Purchase Agreement releases, nullifies, precludes, or enjoins the enforcement of any police or regulatory liability to a governmental unit that any entity would be subject to as the owner or operator of property after the Closing Date.

12. Without limiting the provisions of paragraph 11 above, but subject to Bankruptcy Code section 525(a), no governmental unit may revoke or suspend any right, license, trademark or other permission relating to the use of the Acquired Assets of the Debtors sold, transferred, or conveyed to the Buyer solely on account of the filing or pendency of these Chapter 11 Cases.

13. **Transfer of Assets Free and Clear**. Pursuant to sections 105(a), 363(b), 363(f), and 365 of the Bankruptcy Code, the Debtors are authorized to transfer the applicable Acquired Assets in accordance with the terms of the Purchase Agreement. Upon the Closing, such transfer shall: (i) be valid, legal, binding, and effective; (ii) vest Buyer with all right, title, and interest of the Debtors in respect of the Acquired Assets; and (iii) be free and clear of all Claims in accordance with section 363(f) of the Bankruptcy Code (subject to paragraph 21 herein and other than Assumed Liabilities and Permitted Post-Petition Liens), with all Claims that represent interests in the Acquired Assets to attach to the net proceeds of the Transactions, in the same amount and order of their priority, with the same extent, validity, force and effect which they have against the Acquired Assets, and subject to any rights, claims, and defenses that the Debtors' estates and/or the Debtors, as applicable, may possess with respect thereto.

14. **Injunction**. Except as otherwise provided in the Purchase Agreement or this Sale Order, all Persons (and their respective successors and assigns) including, without limitation, all

debt holders, equity security holders, governmental, tax and regulatory authorities, lenders, employees, former employees, pension plans, multiemployer pension plans, labor unions, trade creditors, any holders of Claims against the Debtors arising from any state or federal antitrust laws, and any other creditors holding Claims against the Debtors, the Acquired Assets, or the Debtors' business are hereby forever barred, estopped, and permanently enjoined from asserting or pursuing such Claims against Buyer, its Affiliates (including any Person who may at any time from the Agreement Date until the Closing serve as a director, officer, manager, employee or advisor of any Seller), successors, or assigns, its property, or the Acquired Assets, including, without limitation, by taking any of the following actions: (i) commencing or continuing in any manner any action or other proceeding against Buyer, its Affiliates, successors or assigns, assets, or properties; (ii) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or order against Buyer, its Affiliates, successors or assigns, assets, or properties; (iii) creating, perfecting, or enforcing any Claim against Buyer, its successors or assigns, assets, or properties; (iv) asserting a Claim as a setoff (except for setoffs exercised prior to the Petition Date) or right of subrogation of any kind against any obligation due Buyer or its successors or assigns; or (v) 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 the agreements or actions approved, contemplated or taken in respect thereof.

15. All Persons are hereby enjoined from taking any action that would interfere with or adversely affect the ability of the Debtors to transfer the Acquired Assets in accordance with the terms of the Purchase Agreement and this Sale Order. Except as otherwise provided in this Sale Order, following the Closing, no holder of any Claim shall interfere with Buyer's title to or use and enjoyment of the Acquired Assets or assert any claims against the Buyer based on or related

to any such Claim or based on any actions the Debtors have taken or may take, or failed to take or may fail to take, in these Chapter 11 Cases. Except as set forth in the Purchase Agreement or the Benefits TSA (as defined in the Purchase Agreement), Buyer and its Affiliates (including any Person who may at any time from the Agreement Date until the Closing serve as a director, officer, manager, employee or advisor of any Seller), successors and assigns shall have no liability for any Claims, causes of action, obligations, demands, losses, claims, taxes, costs, and expenses of any kind, character, or nature whatsoever, whether known or unknown as of the Closing, now existing or hereafter arising, whether fixed or contingent, whether derivatively, vicariously, as a transferee or successor or otherwise, of any kind, nature or character whatsoever relating to or arising from the Debtors, their estates, the Acquired Assets, or the Transactions, including with respect to: (i) any employment or labor agreements; (ii) any pension, welfare, compensation or other employee benefit plans, agreements, practices and programs, including, without limitation, any pension plan of or related to any of the Debtors or any Debtor's Affiliates or predecessors or any current or former employees of any of the foregoing, including, without limitation, the Company Benefit Plans (as defined in the Purchase Agreement) and any participation or other agreements related to the Company Benefit Plans, or the termination of any of the foregoing; (iii) the Debtors' business operations or the cessation thereof; (iv) any litigation involving one or more of the Debtors; (v) any employee, workers' compensation, occupational disease or unemployment or temporary disability related law, including, without limitation, claims that might otherwise arise under or pursuant to (a) the Employee Retirement Income Security Act of 1974, as amended, (b) the Fair Labor Standards Act, (c) Title VII of the Civil Rights Act of 1964, (d) the Federal Rehabilitation Act of 1973, (e) the National Labor Relations Act, (f) the Worker Adjustment and Retraining Notification Act of 1988, (g) the Age Discrimination and Employee Act of 1967 and

Age Discrimination in Employment Act, as amended, (h) the Americans with Disabilities Act of 1990, (i) the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), (j) the Multiemployer Pension Plan Amendments Act of 1980, (k) state and local discrimination laws, (l) state and local unemployment compensation laws or any other similar state and local laws, (m) state workers' compensation laws or (n) any other state, local or federal employee benefit laws, regulations or rules or other state, local or federal laws, regulations or rules relating to, wages, benefits, employment or termination of employment with any or all Debtors or any predecessors; (vi) any antitrust laws; (vii) any product liability or similar laws, whether state or federal or otherwise; (viii) to the greatest extent allowed by applicable law, any environmental laws, rules, or regulations, including, without limitation, under the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §§ 9601, et seq., or similar state statutes; (ix) any bulk sales or similar laws; (x) any federal, state, or local tax statutes, regulations, or ordinances, including, without limitation, the Internal Revenue Code of 1986, as amended; and (xi) any statute or theory of or related to successor liability, including the common law doctrine of *de facto* merger or successor or transferee liability, or successor-in-interest liability theory.

16. The entry of this Sale Order shall not effect any release of (i) any future or ongoing obligation(s) under the Purchase Agreement or this Sale Order, or (ii) any Person's rights, claims, causes of action, or remedies relating to the foregoing.

17. **General Assignment**. This Sale Order (i) shall be effective as a determination that, as of the Closing, the conveyances and transfers described herein and the Purchase Agreement have been effected and (ii) is and shall be binding upon and govern the acts of all Persons, including 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 that reflect that Buyer is the assignee and owner of the Acquired Assets free and clear of all Claims, 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 and directed to accept for filing any and all of the documents and instruments reasonably necessary or appropriate to consummate the transactions contemplated by the Purchase Agreement. This Sale Order shall be construed and shall constitute for any and all purposes a full and complete general assignment, conveyance, and transfer of the Acquired Assets and/or a bill of sale or assignment transferring indefeasible title and interest in the Acquired Assets, including the Assumed Contracts and Assumed Leases, to the Buyer on the terms set forth in the Purchase Agreement.

18. **Release of Interests**. Except in the case of Permitted Post-Closing Liens, if any Person that has filed financing statements, mortgages, mechanic's liens, *lis pendens*, or other documents or agreements evidencing Claims, liens, interests, or encumbrances on, or claims against or interests in the Acquired Assets (including, for the avoidance of doubt, the Prepetition Agents, as such term is defined in the Final DIP Order) shall not have delivered to the Debtors prior to the Closing, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, or releases of all interests which the Person has with respect to the Acquired Assets, then with regard to the Acquired Assets that are purchased by Buyer pursuant to the Purchase Agreement and this Sale Order (i) the Debtors or their designee are hereby authorized to execute and file such statements, instruments, or releases on behalf of the Person with respect to the Acquired Assets and (ii) Buyer or its designee 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 Claims against the Acquired Assets. This Sale Order is deemed to be in recordable form sufficient to be placed in the filing or recording system of each and every federal, state, or local government agency, department, or office.

19. To the maximum extent available under applicable law and to the extent provided for under the Purchase Agreement, Buyer shall be authorized, as of the Closing, to operate under any license, permit, registration, and governmental authorization or approval of the Debtors with respect to the Acquired Assets and, to the maximum extent available under applicable law and to the extent provided for under the Purchase Agreement, all such licenses, permits, registrations, and governmental authorizations and approvals are deemed to have been transferred to Buyer as of the Closing; *provided, however*, that, for the avoidance of doubt, nothing in this Sale Order or the Purchase Agreement shall authorize the transfer to the Buyer of any government-issued license, permit, or registration, or governmental authorization or approval, or the discontinuation of any obligation thereunder, without the Buyer's compliance with all applicable legal requirements and approvals under non-bankruptcy law governing such transfer. To the maximum extent available under applicable law, all existing licenses or permits applicable to the Debtors' business shall remain in place for Buyer's benefit until either new licenses and permits are obtained or existing licenses and permits are transferred in accordance with applicable administrative procedures. Nothing in this Order divests any tribunal of any jurisdiction it may have under police or regulatory law.

20. **No Successor or Other Derivative Liability**. By virtue of the Transactions, Buyer shall not be deemed to: (i) be a legal successor, or otherwise be deemed a successor to any of the Debtors (except as specifically provided in the Purchase Agreement with respect to COBRA

obligations); (ii) have, *de facto* or otherwise, merged with or into any or all Debtors; or (iii) be a mere continuation or substantial continuation, or be holding itself out as a mere continuation, of any or all Debtors or their respective estates, or the enterprise or operations of any or all Debtors.

21. **Assumption and Assignment or Rejection of Assumed Contracts and Assumed Leases**. The Debtors are hereby authorized in accordance with sections 105(a) and 365 of the Bankruptcy Code to assume and assign the Assumed Contracts and Assumed Leases to Buyer free and clear of all Claims, and to execute and deliver to Buyer such documents or other instruments as may be reasonably necessary to assign and transfer the Assumed Contracts and Assumed Leases to Buyer, as provided in the Purchase Agreement. Upon the assumption and assignment to Buyer of such Assumed Contract or Assumed Lease at Closing or during the Designation Rights Period (as defined in the Purchase Agreement) in accordance with the Sale Order, and the payment of any applicable Cure Costs, Buyer shall succeed to the entirety of the Debtors' rights and obligations in respect of each Assumed Contract and Assumed Lease and, except as otherwise provided in the Purchase Agreement, pursuant to section 365(k) of the Bankruptcy Code the Debtors shall be relieved from any further liability with respect to such Assumed Contract or Assumed Lease. From and after the assumption and assignment to Buyer of such Assumed Contract or Assumed Lease at Closing or during the Designation Rights Period in accordance with this Sale Order, Buyer shall comply with the terms of each Assumed Contract and Assumed Lease in its entirety (as may be modified in any agreement with the applicable counterparty or landlord with respect to such assumption and assignment), including, without limitation, in the case of each Assumed Lease, any indemnification obligations expressly contained in such Assumed Lease (including with respect to third party claims asserted in connection with the Debtors' use and occupancy of the premises subject to such Assumed Lease with regard to events that occurred before the Closing or

such later assumption and assignment to Buyer, but which were not known to the applicable landlord as of such date) and any accrued rent, common area maintenance, insurance, taxes, or similar charges billed expressly contained in such Assumed Lease that will come due after the Closing or the later assumption and assignment to Buyer of such Assumed Lease, as applicable, regardless of when accrued. Nothing in the foregoing sentence shall limit the Debtors' obligations to the Buyer under the Purchase Agreement with respect to rent or other charges that accrue prior to the Closing. Nothing in this Order or the Purchase Agreement impairs, prejudices or modifies the terms or enforceability of guaranties provided by non-debtor parties to non-debtor counterparties to Assumed Leases.

22. At the Closing, the Debtors shall assume and assign to Buyer any Assumed Contract or Assumed Lease designated by the Buyer for assumption at the Closing pursuant to Section 2.7(a) of the Purchase Agreement, provided that either (a) the counterparty to such Assumed Contract or Assumed Lease has consented to such assumption and assignment, or (b)(i) such Assumed Contract or Assumed Lease was included in any Potential Assumption and Assignment Notice or Supplemental Assumption and Assignment Notice in accordance with the Bidding Procedures, (ii) the applicable deadlines to make Assumption and Assignment Objections and Supplemental Assumption and Assignment Objections with respect to such Assumed Contract or Assumed Lease have expired, and (iii) all timely Assumption and Assignment Objections and Supplemental Assumption and Assignment Objections with respect to such Assumed Contract or Assumed Lease have been resolved. Upon the Closing, the Debtors shall file a notice of sale closing indicating which Assumed Contracts and Assumed Leases shall be assumed and assigned to the Buyer at the Closing, and shall serve the same on the counterparty to each such Assumed Contract or Assumed Lease. Such notice shall serve as notice that such Assumed Contracts and

Assumed Leases have actually been assumed and assigned, and such assumption and assignment shall be effective as of the Closing without further order of this Court, subject to payment of the Cure Costs in accordance with the procedures set forth in paragraph 26 of the Bidding Procedures Order and paragraphs 21 and 24 herein.

23. During the Designation Rights Period, the Buyer may, in its sole discretion, designate a Designated Contract or Designated Lease that has not previously been assumed and assigned or rejected for assumption and assignment to Buyer or its designee by providing written notice to Sellers pursuant to Section 2.7(c) of the Purchase Agreement, provided that either (a) the counterparty to such Designated Contract or Designated Lease has consented to such assumption and assignment, or (b)(i) such Designated Contract or Designated Lease has been included in any Potential Assumption and Assignment Notice or Supplemental Assumption and Assignment Notice in accordance with the Bidding Procedures Order, (ii) the applicable deadlines to make Assumption and Assignment Objections and Supplemental Assumption and Assignment Objections with respect to such Designated Contract or Designated Lease have expired, and (iii) all timely Assumption and Assignment Objections and Supplemental Assumption and Assignment Objections with respect to such Designated Contract or Designated Lease have been resolved. For the avoidance of doubt, the Debtors may continue to serve Supplemental Assumption and Assignment Notices with respect to Designated Contracts and Designated Leases in accordance with the Bidding Procedures. For any Designated Contract or Designated Lease, which the Buyer directs the Debtors to assume and assign to the Buyer pursuant to the terms of this paragraph, the Debtors shall file a notice on the docket (the "Assumption Notice"), and if the applicable counterparty to a Designated Lease or Designated Contract (a "Designation Counterparty") requests a supplemental order approving such assumption and assignment, a proposed order,

identifying (x) with respect to a Designated Contract, the Designation Counterparty and Contract, and the proposed assignee or (y) with respect to a Designated Lease, the Designation Counterparty, Lease, store number, the street address for the real property subject to such Designated Lease. Except where the Designation Counterparty has requested a supplemental order approving such assumption and assignment, the Assumption Notice shall serve as notice that such Assumed Contracts and Assumed Leases have actually been assumed and assigned, and such assumption and assignment shall be effective as of the date of such filing without further order of this Court, subject to payment of undisputed Cure Costs in accordance with the procedures set forth paragraph 26 of the Bidding Procedures Order and paragraphs 21 and 24 herein. Nothing in this Sale Order shall extend or be deemed to extend the Designation Rights Period beyond any applicable deadline to assume or reject Contracts and Leases set forth in section 365(d)(4) of the Bankruptcy Code.

24. With respect to any timely filed Assumption and Assignment Objection or Supplemental Assumption and Assignment Objection regarding Cure Costs, that has not been previously resolved, the Debtors may assume and assign the Contract or Lease related to the disputed Cure Costs to the proposed assignee prior to resolution of such dispute provided that on the effective date of such assumption the proposed assignee pays the undisputed portion of such Cure Costs and reserves the disputed portion of such Cure Costs in cash in an escrow account, at the highest amount asserted, pending resolution of such Assumption and Assignment Objection. Any Assumption and Assignment Objection or Supplemental Assumption and Assignment Objection as to which the Debtors comply with the procedures of the foregoing sentence shall be deemed to have been resolved for purposes of paragraphs 21 and 22. Upon final resolution or adjudication of the disputed portion of the Cure Costs with respect to such Assumed Contract or Assumed Lease, the proposed assignee shall pay the amount due to the applicable Counterparty

within seven (7) calendar days, subject to reconciliation consistent with the obligations under the Purchase Agreement. For the avoidance of doubt, paragraph 26 of the Bidding Procedures Order sets forth the process for timely filing and, in the absence of a consensual resolution, adjudicating Supplemental Assumption and Assignment Objections.

25. All Cure Costs that have not been waived shall be determined in accordance with the Bidding Procedures Order and paid in accordance with the terms of the Purchase Agreement. Payment of the Cure Costs shall be in full satisfaction and cure of any and all monetary defaults under the Assumed Contracts and Assumed Leases for purposes of section 365 of the Bankruptcy Code, and upon such payment such Assumed Contracts and Assumed Leases shall be deemed to be in full force and effect, free of default for such purposes. As a condition to assumption and assignment, the Debtors shall pay the Cure Costs and shall cure any postpetition defaults that may have arisen prior to such assumption and assignment under any such Assumed Contract or Assumed Lease. As a further condition to assumption and assignment, the Debtors shall pay any amounts that have accrued and are payable postpetition prior to the assumption of any such Assumed Contract or Assumed Lease. Each non-Debtor party to an Assumed Contract or Assumed Lease is forever barred, estopped, and permanently enjoined from asserting against the Debtors or Buyer, their Affiliates, successors, or assigns, or the property of any of them, any default existing as of the date of the Sale Hearing if such default was not raised or asserted prior to or at the Sale Hearing.

26. To the extent a non-Debtor party to an Assumed Contract or Assumed Lease failed to timely object to proposed Cure Costs, such Cure Costs, as listed on Exhibit 1 to the Cure Notice or as modified pursuant to a Supplemental Assumption and Assignment Notice, has been and shall

be deemed to be finally determined and any such non-Debtor party shall be prohibited from challenging, objecting to, or denying the validity and finality of the Cure Costs at any time.

27. During the Designation Rights Period, the Buyer may, in its sole discretion, designate a Designated Contract or Designated Lease that has not previously been assumed and assigned or rejected for rejection by providing written notice to Sellers pursuant to Section 2.7(c) of the Purchase Agreement. For any such Designated Contract or Designated Lease to be rejected, the Debtors shall file a notice on the docket (the "Rejection Notice") and in the event the Designation Counterparty requests an order approving such rejection effective as of the Rejection Effective Date (as defined below), a proposed order, identifying (i) with respect to a Designated Contract, the Designation Counterparty, and the proposed effective date of rejection, and the Designated Contract or (ii) with respect to a Designated Lease, the Designation Counterparty, the Designated Lease, store number and the street address for the real property subject to such Designated Lease, the proposed effective date of rejection, and the deadlines and procedures for filing objections to the Rejection Notice, which deadlines shall be no less than seven (7) calendar days from the filing of such Rejection Notice, and shall serve such Rejection Notice on the applicable Designation Counterparty by overnight delivery. Except where the Designation Counterparty has requested an order approving such rejection effective as of the Rejection Effective Date, for any Designated Contract or Designated Lease subject to a Rejection Notice, the rejection of such Designated Contract or Designated Lease shall be effective without further order of the Court pursuant to the terms of this Order as of: (i) for any Designated Contract, the date on which the Debtors file the applicable Rejection Notice with the Court (unless the applicable Designation Counterparty timely files and serves an objection as set forth herein, in which case the Rejection Effective Date (as defined below) will be determined by further order of the Court

or written agreement of the Debtors, the Buyer, and the Designation Counterparty); (ii) for any Designated Lease, the later of (a) the date on which the Debtors file the Rejection Notice with the Court (unless the applicable Designation Counterparty timely files and serves an objection as set forth herein, in which case the Rejection Effective Date will be determined by further order of the Court or written agreement of the Debtors, the Buyer, and the Designation Counterparty); and (b) the date the Debtors deliver possession of the premises subject to the Lease to the applicable landlord by delivering keys, key codes, and/or security codes, as applicable, to such landlord or, if not delivering such keys and codes, providing notice to the landlord that the landlord may re-let the premises; and (iii) for any Designated Contract or Designated Lease that is not assumed and assigned or rejected before the expiration of the Designation Rights Period, the date on which the Designation Rights Period expires (each of (i), (ii), and (iii) above and the date specified in a Consensual Rejection Notice, the "Rejection Effective Date"). Where the Designation Counterparty has requested an order approving such rejection, such order shall be effective as of the Rejection Effective Date.

28. Any Designated Contract or Designated Lease that is not assumed and assigned or rejected prior to the expiration of the Designation Rights Period shall be deemed rejected without further order of this Court on the date on which the Designation Rights Period expires, and in no event later than the date of entry of an order confirming a plan of liquidation, and the Debtors shall serve a notice of rejection on the affected counterparties, which shall set forth the bar date to file rejection damages claims. Any property remaining in any leased premises on the Rejection Effective Date of such lease shall be deemed abandoned and may be used or disposed of by the applicable landlord without notice or liability to any party claiming an interest in such abandoned property; provided that no equipment that the Debtors know is not owned by the Debtors or the

applicable landlord shall be abandoned, and instead the Debtors will either (a) provide for the return of such equipment to the Debtors' headquarters or (b) return such equipment to the applicable lessor or other owner of the equipment; provided further that, to the extent that any furniture, fixtures and/or equipment ("FF&E") or any other property that may contain "personally identifiable information," as that term is defined in section 101(41A) of the Bankruptcy Code, or other personal and/or confidential information about the Debtors' employees and/or customers, or any other individual (the "Confidential Information") is proposed to be abandoned, the Debtors shall remove the Confidential Information from such items of FF&E or other property before such abandonment; provided further that prior to the abandonment of any property against which any party has filed a UCC-1 statement or is otherwise known by the Debtors to assert a lien on such property, the Debtors shall provide such party with at least 10 days advance notice prior to abandonment. Pursuant to Section 2.7 of the Purchase Agreement, Buyer shall be responsible for any and all payment Liabilities (as defined in the Purchase Agreement) of Buyer, Sellers or any of their respective Affiliates (as defined in the Purchase Agreement) under any such Contract or Lease arising in connection with and through the date of rejection of such Contract or Lease, in each case that are incurred and become due and payable during the period from and after Closing through the effective date of such Contract's or Lease's rejection by any Seller in accordance with the Purchase Agreement. For the avoidance of doubt, Buyer shall pay all such Liabilities on a current basis as and when they come due and payable and nothing herein shall affect or modify the Debtors' obligations pursuant to Section 365(d)(3) during the Designation Rights Period.

29. ***Ipso Facto* Clauses Ineffective**. The Assumed Contracts and Assumed Leases shall be transferred to, and remain in full force and effect for the benefit of, Buyer in accordance with their respective terms, including all obligations of Buyer as the assignee of the Assumed

Contracts and Assumed Leases, notwithstanding any provision in any such Assumed Contracts and Assumed Leases (including, without limitation, those of the type described in sections 365(e)(1) and (f) of the Bankruptcy Code) that prohibits, restricts, or conditions such assignment or transfer. There shall be no, and all non-Debtor parties to any Assumed Contract or Assumed Lease are forever barred and permanently enjoined from raising or asserting against the Debtors or Buyer any, defaults, breach, claim, pecuniary loss, rent accelerations, escalations, assignment fees, increases, or any fees charged to Buyer or the Debtors as a result of the assumption or assignment of the Assumed Contracts and Assumed Leases.

30. Upon the Debtors' assumption and assignment of the Assumed Contracts and Assumed Leases to Buyer and payment of all undisputed Cure Amounts due upon the effective date of assignment of Assumed Contracts and Assumed Leases, and subject to the resolution or adjudication of any disputed cure costs pursuant to paragraph 24 above, no default shall exist under any Assumed Contracts or Assumed Leases, and no non-Debtor party to any Assumed Contracts or Assumed Leases shall be permitted to declare a default by any Debtor or Buyer, or otherwise take action against Buyer, as a result of any Debtor's financial condition, bankruptcy, or failure to perform any of its obligations under the relevant Assumed Contracts or Assumed Leases. Any provision in an Assumed Contract or Assumed Lease that prohibits or conditions the assignment or sublease of such Assumed Contract or Assumed Lease (including without limitation, the granting of a lien therein) or allows the non-Debtor party thereto to terminate, recapture, impose any penalty, condition on renewal, or extension, or modify any term or condition upon such assignment or sublease, constitutes an unenforceable anti-assignment provision that is void and of no force and effect solely with respect to assignment of the Assumed Contracts and Assumed Leases in the Transactions. The failure of the Debtors or Buyer to enforce at any time one or more

terms or conditions of any Assumed Contract or Assumed Lease shall not be a waiver of such terms or conditions, or of the Debtors' and Buyer's rights to enforce every term and condition of the Assumed Contract or Assumed Lease.

31. **Comenity**. Notwithstanding anything to the contrary in this Sale Order or the Purchase Agreement, or any notice or pleadings related thereto, conditioned upon the occurrence of the Closing Date, the Private Label Credit Card Program Agreement between Comenity Capital Bank ("Comenity") and Lucky Brand Dungarees, LLC dated as of November 28, 2017, as amended from time to time (the "Program Agreement") shall be assumed, assigned and sold to the Buyer as of the Closing of the Transactions, and, in lieu of cure, all obligations due and unpaid or accruing under the Program Agreement prior to the Closing Date shall pass through to Buyer and survive assumption and assignment so that nothing in this Order or 11 U.S.C. § 365 shall affect such obligations.

32. **Store Closings**. During the Designation Rights Period, the Buyer, in its sole discretion and in accordance with the Purchase Agreement, may determine to conduct Store Closings and Closing Sales for certain of the Stores (as defined in the Purchase Agreement), including all Stores subject to Leases that Buyer elects to reject in accordance with the Purchase Agreement. The Buyer or its designee is authorized, pursuant to sections 105(a) and 363(b)(1) of the Bankruptcy Code, but not directed, to conduct Store Closings and Closing Sales in accordance with this Sale Order, the *Final Order (I) Approving (A) Procedures for Store Closing Sales, (B) Customary Bonuses to Non-Insider Employees of Closing Stores, and (C) Assumption of Consulting Agreement, and (II) Granting Related Relief*, dated July 28, 2020 [Docket No. 218] (the "Store Closing Procedures Order"), and the Store Closing Procedures (as defined in the Store Closing Procedures Order), as may be modified by any Landlord Agreement (as defined in the

Store Closing Procedures Order) with respect to the applicable Store location subject to the restrictions set forth in paragraph 5 of the Store Closing Procedures Order. The Buyer or the Debtors shall provide notice to landlords of the applicable Store locations prior to the commencement of such Store Closings and Closing Sales in accordance with paragraphs 6 and 7 of the Store Closing Procedures Order. Pursuant to section 363(f) of the Bankruptcy Code, the Buyer or its designee is authorized to sell Store Closing Assets (as defined in the Store Closing Procedures Order) free and clear of all Claims because, in each case, one or more of the standards set forth in section 363(f)(1)–(5) of the Bankruptcy Code has been satisfied. For the avoidance of doubt, Buyer shall (i) pay all costs incurred post-Closing in connection with the Store Closings as and when such costs come due and are payable, and shall be solely liable for, and shall indemnify and defend Sellers from, any and all Liabilities of any kind or nature arising in connection with the Store Closing, other than Liabilities resulting from the gross negligence or willful misconduct of any Seller or any of its Related Parties (as defined in the Purchase Agreement) and (ii) retain any and all proceeds from, the Closing Sales and Store Closings.

33. The Buyer and its agent or the Seller and its agent, as applicable, shall not be required to comply with any state or local law requiring that the Buyer or the Seller, as applicable, pay an employee substantially contemporaneously with his or her termination; *provided*, that the Buyer or its agent or the Seller and its agent, as applicable, shall pay any accrued wages for which it is liable under the Purchase Agreement or otherwise to each terminated employee as expeditiously as possible.

34. **Wind-Down Funding**. In accordance with Section 5.10(g) of the Final DIP Order, proceeds from the Transactions shall be used to fund the Wind-Down Account (as defined in the Final DIP Order). Not later than ten (10) business days following the Closing Date, the Debtors

shall transfer any Excess Wind-Down Cash (as hereinafter defined) to the Second Lien Lenders on a pro rata basis or such other allocation as agreed by the Debtors and Second Lien Lenders. "Excess Wind-Down Cash" shall mean the amount of cash remaining in the Debtors' bank accounts on the day following the Closing Date which is not required to fund (i) the Wind-Down Account or the Wind-Down Budget (each as defined in the Final DIP Order and totaling, for the avoidance of doubt, $33.0 million) or (ii) amounts for accrued but unpaid liabilities incurred in accordance with the Approved DIP Budget (as defined in the Final DIP Order) relating to the period ending on the Closing Date. The Excess Wind-Down Cash shall be reasonably determined by the Debtors in consultation with the Second Lien Lenders.

35. **Reversal or Modification on Appeal**. The transactions contemplated by the Purchase Agreement are undertaken by Buyer 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 authorization provided herein of the Transactions shall neither affect the validity of the Transactions nor the transfer of the Acquired Assets to Buyer free and clear of Claims, unless such authorization is duly stayed before the Closing pending such appeal.

36. **No Avoidance of Purchase Agreement**. Neither the Debtors nor Buyer has engaged in any conduct that would cause or permit the Purchase Agreement to be avoided or costs and damages to be imposed under section 363(n) of the Bankruptcy Code.

37. **Waiver of Bankruptcy Rules 6004(h) and 6006(d)**. Notwithstanding the provisions of Bankruptcy Rules 6004(h) and 6006(d) or any applicable provisions of the Local Rules, this Sale Order shall not be stayed after the entry hereof, but shall be effective and enforceable immediately upon entry, and the 14-day stay provided in Bankruptcy Rules 6004(h)

and 6006(d) is hereby expressly waived and shall not apply. Time is of the essence in closing the Transactions and the Debtors and Buyer intend to close the Transactions as soon as practicable.

38. **Binding Effect**. The terms and provisions of the Purchase Agreement and this Order shall be binding in all respects upon, or shall inure to the benefit of, the Debtors, their estates and their creditors, Buyer and its Affiliates, successors, and assigns, and any affected third parties, including all Persons asserting Claims, notwithstanding any subsequent dismissal of the Chapter 11 Cases or the appointment of any trustee, examiner, or receiver under any chapter of the Bankruptcy Code or any other law, and all such provisions and terms shall likewise be binding on such trustee, examiner, or receiver and shall not be subject to rejection or avoidance by the Debtors, their estates, their creditors or any trustee, examiner, or receiver. Any trustee appointed for the Debtors under any provision of the Bankruptcy Code, whether the Debtors are proceeding under chapter 7 or chapter 11 of the Bankruptcy Code, shall be authorized and directed to (i) comply with the terms of the Purchase Agreement and (ii) perform under the Purchase Agreement without the need for further order of this Court.

39. **Conflicts; Precedence**. In the event that there is a direct conflict between the terms of this Order and the terms of the Purchase Agreement the terms of this Order shall control.

40. **Modification of Purchase Agreement**. The Purchase Agreement, and any related agreements, documents, or other instruments, may be modified, amended, or supplemented by the parties thereto, in a writing signed by the party against whom enforcement of any such modification, amendment, or supplement is sought, and in accordance with the terms thereof, without further order of this Court; *provided* that any modification, amendment, or supplement that materially changes the terms of the Purchase Agreement or any related agreements, documents, or other instruments shall be subject to further Court approval.

41. **Bulk Sales**. No bulk sales law, bulk transfer law, or similar law of any state or other jurisdiction shall apply in any way to the Transactions. The Debtors and the Buyer waive, and hereby shall be deemed to have waived, any requirement of compliance with, and any claims related to non-compliance with, the provisions of any bulk sales, bulk transfer, or similar law of any jurisdiction that may be applicable.

42. **Privacy Policy**. The Buyer of the Acquired Assets shall continue the Debtors' existing policy concerning the transfer of personally identifiable information upon Closing, as may be modified in accordance with the terms of such policy.

43. **Conditions Precedent**. Notwithstanding anything to the contrary herein, none of the parties to the Purchase Agreement shall have an obligation to close the Transactions until all conditions precedent in the Purchase Agreement to the parties' respective obligations to close the Transactions have been met, satisfied, or waived in accordance with the terms of the Purchase Agreement.

44. **Retention of Jurisdiction**. This Court shall retain exclusive jurisdiction to, among other things, (i) interpret, enforce, and implement the terms and provisions of this Order and the Purchase Agreement (including all amendments thereto, any waivers and consents thereunder, and of each of the agreements executed in connection therewith) and (ii) adjudicate disputes related to this Order and the Purchase Agreement (including all amendments thereto, any waivers and consents thereunder, and of each of the agreements executed in connection therewith).

45. **Local Texas Taxing Authorities**. To the extent that any Texas *ad valorem* tax authority (any such authority, a "Local Texas Tax Authority") has valid, perfected, enforceable, senior and nonavoidable liens as of the Petition Date for prepetition *ad valorem* taxes arising under state law on any proceeds from the Transactions (the "Local Tax Authority Liens"), such proceeds

shall either be placed in a segregated account in the aggregate amount of Local Texas Tax Authorities' Proofs of Claim as adequate protection for the Local Texas Tax Authority's claims or used to pay the Local Texas Tax Authority on account of such claims promptly following Closing. The Local Tax Authority Liens shall attach to such proceeds to the same extent and with the same priority as the liens they now hold against the property of the Debtors. Any funds placed in a segregated account shall be on the order of adequate protection and shall constitute neither the allowance of the claims of the Local Texas Tax Authorities, nor a cap on the amounts they may be entitled to receive. Furthermore, the Local Texas Tax Authority Liens shall remain subject to any objections any party would otherwise be entitled to raise as to the priority, validity or extent of such liens. Any funds segregated pursuant to this paragraph may be distributed only upon agreement between the Local Texas Tax Authorities and the Debtors, or by subsequent order of the Court, duly noticed to the Local Texas Tax Authorities.

46. **Insurance Policies**. Notwithstanding anything to the contrary herein, all director and officer insurance policies and binders and all claims, refunds and credits from insurance policies or binders due or to become due with respect to such policies or binders (but excluding the Acquired Insurance Proceeds (as defined in the Purchase Agreement)), including, for the avoidance of doubt, the Tail Policies (as defined in the Purchase Agreement) are to be considered Excluded Assets (as defined in the Purchase Agreement), including, to the extent applicable, policies held with ACE American Insurance Company, Federal Insurance Company and/or any of their respective affiliates (collectively, and together with each of their successors, "Chubb").

47. **Texas Comptroller**. The Acquired Assets sold pursuant to this Order and the terms of the Purchase Agreement shall not include unclaimed property held in trust by the Sellers, as

defined pursuant to State unclaimed property laws including Texas Property Code, Title 6, Chapter 72-76, and other applicable laws of the State of Texas.

48. **Oracle America, Inc.**. Notwithstanding any other provision of this Sale Order or the Purchase Agreement, no agreement between the Debtors on the one hand, and Oracle America, Inc. ("Oracle") on the other hand (the "Oracle Agreements"), will be assumed, assigned, or transferred, and no shared or concurrent use of Oracle's products and services by Buyer or its affiliates or designees on account of the Oracle Agreements will be authorized, absent further Court order or Oracle's prior written consent.

49. **Cigna**. Notwithstanding anything to the contrary in this Sale Order, or any Notice related thereto, the *Objection of Cigna Entities to Notice of Potential Assumption and Assignment of Executory Contracts or Unexpired Leases and Cure Amounts* [Docket No. 288] (the "Cigna Objection") is adjourned, and the Employee Benefits Agreements (as defined in the Cigna Objection) shall not be assumed and assigned to the Buyer under this Sale Order; provided, however, that the Debtors shall, no later than twenty-one (21) days prior to the termination of the Benefits TSA (as defined in the Purchase Agreement), unless extended by agreement of Cigna, provide Cigna with written, irrevocable notice of whether the Debtors propose to assume and assign any or all of the Employee Benefits Agreements.

50. **Rem Optical Company, Inc**. On August 7, 2020, Rem Optical Company, Inc. ("Rem") filed *Rem Optical Company's (I) Limited Objection to Assumption and Assignment Of Executory Contract, and (II) Reservation Of Rights And Conditional Request For Adequate Protection, with Respect to Debtors' Sale Motion And Notice Of Cure Amounts* [Docket No. 300] (the "Rem Objection"). Rem has withdrawn its objection to the assumption and assignment of the License Agreement (as defined in the Rem Objection). Notwithstanding that withdrawal and

notwithstanding anything to the contrary in this Sale Order or the Purchase Agreement, nothing in this Sale Order or the Purchase Agreement shall alter, modify, prejudice, impair or otherwise limit any rights, claims, liens or interests of Rem set forth in the Rem Objection related to the sale of the Debtors' assets and assumption and assignment of Contracts in connection therewith in the event the License Agreement is not assumed and assigned to Buyer, including, but not limited to those rights, interests and claims (i) that Rem would be entitled to retain under applicable law in the event the License Agreement (as defined in the Rem Objection) were rejected or otherwise breached by the Licensor (as defined in the Rem Objection) thereunder or (ii) that are otherwise entitled to adequate protection under 11 U.S.C. § 363(e), except upon agreement of the parties or further order of the Court, and the Debtors', Buyer's, and Rem's rights, claims and defenses with respect to any such rights, claims, liens or interests of Rem are hereby reserved and preserved.

51. **General Provisions**. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

52. This Order shall be effective as a determination that, on the date of the Closing, all Claims of any kind or nature whatsoever existing as to the Acquired Assets prior to the Closing have been unconditionally released, discharged, and terminated as to the Acquired Assets, with such Claims to attach to the proceeds of the sale with the same priority, validity, force and effect as such Claims had in the Acquired Assets, subject to any claims and defense the Debtors may possess with respect thereto.

53. The Debtors are authorized to change their legal names, and file any necessary documents to effectuate such name changes, without further order of the Court. Within three (3) business days of changing their names, the Debtors may file a motion to change the case caption pursuant to Local Rule 9004-1(c).

EXHIBIT A

Purchase Agreement

EXECUTION VERSION

ASSET PURCHASE AGREEMENT

BY AND AMONG

LUCKY BRAND DUNGAREES, LLC,

THE OTHER SELLERS PARTY HERETO,

AND

SPARC GROUP LLC

JULY 3, 2020

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ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "Agreement") is entered into as of July 3, 2020 by and among Lucky Brand Dungarees, LLC, a Delaware limited liability company ("Lucky" or the "Company"), and the Affiliates of Lucky that are signatory hereto (together with Lucky, "Sellers"), and SPARC Group LLC, a Delaware limited liability company ("Buyer"). Sellers and Buyer are referred to collectively herein as the "Parties".

WITNESSETH

WHEREAS, Lucky and certain of its affiliates intend to file voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") following the execution of this Agreement (the date of such filings, the "Petition Date");

WHEREAS, Sellers engage in (a) the business of designing, marketing, licensing, distributing and selling apparel and accessories, and (b) the operation of stores and the retail sale of clothing and accessories at such stores and through e-commerce platforms, including the E-Commerce Platform (collectively, the "Business");

WHEREAS, Sellers operate the retail clothing stores set forth in Section 3.6 of the Disclosure Schedule (as defined below) under the names "Lucky Brand", "Lucky Brand Jeans" and certain other names (each a "Store" and, collectively, the "Stores");

WHEREAS, Sellers desire to sell, transfer and assign to Buyer, and Buyer desires to purchase, acquire and assume from Sellers, all of the Acquired Assets (as defined below) and Assumed Liabilities (as defined below); and

WHEREAS, concurrently with the Parties' execution of this Agreement, Sellers, ABG-Lucky, LLC, a Delaware limited liability company ("IP Buyer") and Authentic Brands Group LLC have entered into an Asset Purchase Agreement (the "IP Purchase Agreement"), pursuant to which, on the terms and conditions set forth therein, Sellers have agreed to sell, transfer and assign to IP Buyer, and IP Buyer has agreed to purchase, acquire and assume from Sellers, certain of the Acquired Assets and certain of the Assumed Liabilities, for the consideration set forth therein, solely in the event that this Agreement is terminated in accordance with Section 8.1(n) below (and such IP Purchase Agreement shall terminate automatically in accordance with its terms and be of no further force or effect in the event that Buyer delivers the Financing Contingency Waiver (as defined below) prior to the Waiver Deadline (as defined below)).

NOW, THEREFORE, in consideration of the mutual promises herein made, and in consideration of the representations, warranties and covenants herein contained, the Parties hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Definitions. For purposes of this Agreement:

"Acquired Assets" means all of Sellers' right, title and interest, free and clear of all Liens (other than Permitted Post-Closing Liens), in and to all of the properties, rights, interests and other tangible and intangible assets of Sellers used in, held for use in, or relating to the Business (wherever located and whether or not required to be reflected on a balance sheet prepared in accordance with GAAP) including any such properties, rights, interests and other tangible and intangible assets acquired by Sellers after the date hereof but prior to the Closing; provided, however, that the Acquired Assets shall not include any Excluded Assets. Without limiting the generality of the foregoing, the Acquired Assets shall include the following (except to the extent listed or otherwise included as an Excluded Asset):

(a) all inventory owned by Sellers, including the Merchandise but excluding all inventory at the Closed Stores and the Closing Stores;

(b) the Furnishings and Equipment;

(c) the Assumed Leases, together with (to the extent of the Sellers' interest therein) the buildings, fixtures and improvements located on or attached to the underlying real property, and all rights arising thereunder, and all tenements, hereditaments, appurtenances and other real property rights appertaining thereto, subject to the rights of the applicable landlord (including rights to ownership or use of such property) under such Assumed Leases;

(d) the Transferred Contracts and all rights and benefits thereunder;

(e) all prepaid expenses of any Seller, including deposits, security deposits, merchant deposits, prepaid rent and prepaid expenses (other than pursuant to any Contract which is not a Transferred Contract or any Lease) which is not an Assumed Lease and excluding all Cash Equivalents in the Bankruptcy Deposit Accounts (as defined below);

(f) to the extent requested by Buyer and assignable to Buyer under applicable Law, all Permits issued to, or for the benefit of, any Seller relating to the operation of the Business, Stores, Distribution Centers or corporate offices, and all pending applications or filings therefor and renewals thereof;

(g) the Store Cash Amount as of the Closing;

(h) all Credit Card Receivables;

(i) all accounts receivable of Sellers (including the Specified Trade Receivables);

(j) all Copyrights owned or purported to be owned by Sellers, including the copyright registrations set forth in Schedule 1.1(a)(i) (collectively, the "Transferred Copyrights");

(k) all internet domain names and social media accounts owned or purported to be owned by Sellers, including the internet domain name registrations and social media accounts set forth in Schedule 1.1(a)(ii) (the "Transferred Domain Names");

(l) all Patents and patent applications owned or purported to be owned by Sellers, including (A) those patents and patent applications listed on Schedule 1.1(a)(iii) (all such patents and patent applications, collectively, "Scheduled Patents"); and (B) 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 (collectively, the "Transferred Patents");

(m) all Trademarks owned or purported to be owned by Sellers, including the Trademarks set forth in Schedule 1.1(a)(iv), and further including any and all of Sellers' right, title and interest to the names "Lucky Brand" and "Lucky Brand Jeans" or any derivation thereof (collectively, the "Transferred Trademarks");

(n) all other Intellectual Property owned or purported to be owned by Sellers, which is used in, held for use in, or relating to the Business (the Intellectual Property in clauses (j) — (n) of this definition, collectively, the "Transferred Intellectual Property");

(o) 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, the Acquired Assets or the Assumed Liabilities;

(p) 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, and other records of any Seller used in, held for use in, or relating to the Business, the Acquired Assets or the Assumed Liabilities;

(q) all marketing, advertising and promotional materials and product samples and designs used in, held for use in, or relating to the Business, or the Acquired Assets;

(r) financial, marketing and business data, pricing and cost information, business and marketing plans, 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 used in, held for use in, or relating to the Business, the Acquired Assets or the Assumed Liabilities, including files in the possession of or under the control of Sellers;

(s) all goodwill associated with the Business or the Acquired Assets;

(t) all of Sellers' rights of publicity and all similar rights, including all commercial merchandising rights;

(u) 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 interest or right;

(v) the Purchased Actions;

(w) all customer data, customer lists, and information related to customer purchases at the Stores or through the E-Commerce Platform or any similar e-commerce platform owned, operated, or controlled by any Seller (the "Customer Information") (excluding from the foregoing any credit card numbers or related customer payment source or social security numbers);

(x) royalty payments and licensing receivables generated by the Business, whether attributable to the period prior to Closing, or the period from and after the Closing, in each case to the extent paid following the Closing;

(y) all Sellers' telephone, fax numbers and email addresses;

(z) all tangible and intangible assets included in the E-Commerce Platform or any similar e-commerce platform owned, operated, or controlled by any Seller (provided that to the extent any such assets include rights to which Sellers are entitled pursuant to any Contract, such rights shall only be included in the Acquired Assets if such Contract is a Transferred Contract);

(aa) insurance proceeds received by Sellers following the Closing Date (or that are received prior to the Closing and that were specifically paid in respect of losses incurred in respect of any individual Acquired Assets acquired by Buyer hereunder) and insurance awards received by Sellers following the Closing Date (or that are received prior to the Closing and that were specifically paid in respect of losses incurred in respect of any individual Acquired Assets acquired by Buyer hereunder) with respect to any of the Acquired Assets which are not in respect of any Excluded Liabilities or Excluded Assets ("Acquired Insurance Proceeds");

(bb) any Tax refund, deposit, prepayment, credit, attribute, or other Tax asset or Tax receivable of or with respect to any Assumed Taxes; and

(cc) Standby Letters of Credit Cash Collateral,

provided, however, notwithstanding anything to the contrary set forth in this definition, the Acquired Assets shall not include any Excluded Assets.

"Adjustment Amount" has the meaning set forth in Section 2.6(c)(i).

"Administrative Expense Claims" means a Liability relating to an administrative expense of a kind specified in section 503(b), 507(b) or 1114(e) of the Bankruptcy Code and entitled to priority pursuant to section 507(a)(2) of the Bankruptcy Code.

"Affiliate" means, with respect to any specified Person, any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such specified Person, where "control" means the power, directly or indirectly, to direct or cause the direction of the management and policies of another Person, whether through the ownership of voting securities, by contract, or otherwise.

"Affiliate Agreement" has the meaning set forth in Section 3.16.

"Agreement" has the meaning set forth in the preamble.

"Allocation Principles" has the meaning set forth in Section 2.8.

"Alternative Transaction" means (i) any investment in, financing of, capital contribution or loan to or restructuring or recapitalization of Sellers or any of their respective direct or indirect Subsidiaries (including any exchange of all or a substantial portion of Sellers' or any of their respective Affiliates' outstanding debt obligations for equity securities of Sellers or any of their respective Affiliates), (ii) any merger, consolidation, share exchange or other similar transaction to which Sellers or any of their respective Affiliates is a party that has the effect of transferring, directly or indirectly, any portion of the assets of, or any issuance, sale or transfer of equity interests in, Sellers, the Acquired Assets or the Business, (iii) any direct or indirect sale of any portion of the assets of, or any issuance, sale or transfer of equity interests in, Sellers, the Acquired Assets or the Business, or (iv) any other transaction, including a plan of liquidation or agreement with a liquidation firm (or consortium) for the orderly liquidation of the Sellers, all or any portion of the Acquired Assets, or the Business (other than any wind-down or similar plan or transaction or dismissal with respect to the sale of Excluded Assets) or reorganization (in any jurisdiction, whether domestic, foreign, international or otherwise), in each instance that transfers or vests ownership of, economic rights to, or benefits in any portion of the assets of Sellers, the Acquired Assets or the Business to any party other than Buyer; provided, however, that "Alternative Transaction" shall not include any sales of Merchandise in the Ordinary Course of Business.

"Anti-Bribery Laws" has the meaning set forth in Section 3.14(d).

"Assumed Leases" has the meaning set forth in Section 2.7(b) and shall include, for the avoidance of doubt, the Leases assumed and assigned to Buyer pursuant to Section 2.7(b), Section 2.7(c) or Section 2.7(d).

"Assumed Liabilities" means only the following Liabilities:

(a) all Liabilities under the Assumed Leases and Transferred Contracts solely to the extent such Liabilities arise from and after the Closing Date, including all Liabilities under any Contracts and Leases designated by Buyer for assumption and assignment pursuant to Section 2.7(b), Section 2.7(c) or Section 2.7(d);

(b) all Assumed Taxes and all Transfer Taxes to be borne by Buyer pursuant to Section 6.6(a);

(c) all Liabilities arising solely out of the ownership or operation of any Acquired Asset after the Closing, including all Liabilities resulting from or arising out of any Store Closings or Closing Sales undertaken by Buyer pursuant to Section 6.13;

(d) all Liabilities outstanding as of and arising after the Closing with respect to ordinary course returns of Merchandise sold by any Seller (other than pursuant to a sale of the type described in Section 5.2(b)(viii)), in compliance with the return policy in effect as of such sale;

(e) all Liabilities for gift cards and gift certificates validly issued by the Sellers in the Ordinary Course of Business and outstanding as of the Closing;

(f) all employment-related Liabilities arising from Buyer's employment of Transferred Employees attributable, in each case, solely to the actions of Buyer in the period after the Benefits TSA Expiration Date, unless otherwise provided in the Benefits TSA;

(g) all COBRA Liabilities with respect to M&A Qualified Beneficiaries;

(h) all Liabilities (i) for placed orders for inventory as of the date hereof and set forth on Schedule A for which goods are not yet delivered or are in-transit as of the Closing Date and (ii) for post-petition trade payables of Sellers in respect of open orders for inventory, for which goods are not yet delivered or are in-transit as of the Closing Date and as approved by Buyer in writing;

(i) all Liabilities in respect of the customer loyalty program (and associated credit card program) administered by Sellers; and

(j) all Buyer Cure Costs.

"Assumed Taxes" means any Liability for Taxes arising from the ownership or operation of the Business or the Acquired Assets in a Post-Closing Tax Period.

"Auction" has the meaning set forth in the Bidding Procedures Order.

"Audited Financial Statements" has the meaning set forth in Section 3.17(a).

"Bankruptcy Cases" means the jointly administered cases under chapter 11 of the Bankruptcy Code commenced by Lucky and certain of its Affiliates on the Petition Date, and continuing immediately thereafter, in the Bankruptcy Court and styled *In re Lucky Brand Dungarees, LLC, et al.*

"Bankruptcy Code" has the meaning set forth in the recitals.

"Bankruptcy Court" has the meaning set forth in the recitals.

"Bankruptcy Court Milestones" has the meaning set forth in Section 5.3(c).

"Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under section 2075 of title 28 of the United States Code, 28 U.S.C. § 2075, as applicable to the Bankruptcy Cases, and the general, local and chambers rules of the Bankruptcy Court.

"Benefits TSA" has the meaning set forth in Section 6.4(d).

"Benefits TSA Employees" has the meaning set forth in Section 6.4(d).

"Benefits TSA Expiration Date" has the meaning set forth in Section 6.4(d).

"Bidding Procedures" means the bidding procedures for the solicitation and submission of bids for a sale, reorganization, or other disposition of Sellers or all or substantially all of their assets approved by the Bankruptcy Court pursuant to the Bidding Procedures Order, (i) in the form

attached hereto as Exhibit F and, in any case, (ii) in form and substance reasonably satisfactory to Buyer and the DIP Agent, each in its reasonable discretion; it being understood that Bidding Procedures in substantially the form of Exhibit F will be deemed satisfactory to Buyer in its reasonable discretion.

"Bidding Procedures Motion" means the motion seeking entry of the Bidding Procedures Order, which shall be in form and substance reasonably satisfactory to Buyer.

"Bidding Procedures Order" means an order of the Bankruptcy Court approving the Bidding Procedures (i) in the form attached hereto as Exhibit G, (ii) providing for approval of the Bidding Procedures, Break-Up Fee and the Expense Reimbursement pursuant to the terms of this Agreement, and (iii) in any case, in form and substance reasonably satisfactory to Buyer, and the DIP Agent, each in its reasonable discretion; it being understood that a Bidding Procedures Order in substantially the form of Exhibit G will be deemed satisfactory to Buyer and the DIP Agent, each in its reasonable discretion.

"Bill of Sale and Assignment and Assumption Agreement" has the meaning set forth in Section 2.5(c).

"Book Value" of inventory or Merchandise means only the sum of (i) the FOB cost of the inventory or Merchandise, plus (ii) the freight to the Distribution Centers, plus (iii) customs duties and freight forwarding charges; provided, that in the case of In-Transit Merchandise, the preceding clause (iii) shall be included in the calculation of Book Value only to the extent such customs duties and freight forwarding charges are paid or payable prior to the Closing.

"Break-Up Fee" means an amount equal to $6,222,986.53 (i.e. an amount equal to 3.0% of the sum of (i) Closing Cash Purchase Price (as defined below), *plus* (ii) the Credit Bid, *plus*, (iii) the aggregate value of the Standby Letters of Credit set forth on Schedule B, *plus*, (iv) $7,000,000 in respect of certain other Assumed Liabilities) to compensate Buyer for serving as the "stalking horse" and subjecting this Agreement and the Related Agreements to higher and better offers.

"Business" has the meaning set forth in the recitals.

"Business Day" means any day, other than a Saturday, Sunday and any day which is a legal holiday under the Laws of the State of New York or is a day on which banking institutions located in the State of New York are authorized or required by Law or other governmental action to close.

"Buyer" has the meaning set forth in the preamble.

"Buyer Cure Costs" means all Cure Costs as determined by Final Order of the Bankruptcy Court or as agreed by the Buyer and the applicable counterparty to an Assumed Lease or Transferred Contract arising out of the assumption by the applicable Sellers and assignment to Buyer of (i) the Assumed Leases and (ii) the Transferred Contracts, including any Designated Contracts and Designated Leases designated by Buyer for assumption and assignment pursuant to Section 2.7(c) or Section 2.7(d). For the avoidance of doubt, Buyer Cure Costs shall not include the Seller Proration Amount or any other Liabilities arising under or with respect to any Assumed Lease accruing or payable on or after the Petition Date and before the Closing, all of which shall be paid by Sellers.

"Buyer Fundamental Representations" has the meaning set forth in Section 7.2(a).

"Buyer Party Members" has the meaning set forth in Section 6.7.

"Buyer Proration Amount" has the meaning set forth in Section 2.9(a).

"Carve-Out" has the meaning set forth in the DIP Interim Order.

"Cash Equivalents" means cash, checks, money orders, funds in time and demand deposits or similar accounts, marketable securities, short-term investments, and other cash equivalents and liquid investments.

"Claim" means any claim within the meaning of section 101(5) of the Bankruptcy Code.

"Closed Stores" has the meaning set forth in Section 5.2(b)(ix).

"Closing" has the meaning set forth in Section 2.4.

"Closing Cash Purchase Price" shall have the meaning set forth in Section 2.3(a).

"Closing Date" has the meaning set forth in Section 2.4.

"Closing Sales" has the meaning set forth in Section 6.13.

"Closing Stores" has the meaning set forth in Section 5.2(b)(viii).

"COBRA" means sections 601 through 608 of ERISA and section 4980B of the IRC.

"COBRA Liabilities" means Liabilities of Sellers with respect to any terminated employees of Sellers pursuant to COBRA.

"Company" has the meaning set forth in the preamble.

"Company Benefit Plans" means any "employee benefit plan" (as defined under section 3(3) of ERISA, whether or not subject to ERISA) or any agreement, plan, or practice providing for compensation, employee benefits, severance pay or benefits, change in control payments, equity awards, fringe benefits, or other remuneration or benefit of any kind, whether written or unwritten, funded or unfunded, for the benefit of any employee, contractor, advisor or other service provider of the Business that is sponsored, maintained, contributed to or required to be contributed to by the Company or any of its ERISA Affiliates for the benefit of any Covered Employees or former employees, or pursuant to which the Company or any of its Subsidiaries may have any liability (contingent or otherwise).

"Computer Systems" has the meaning set forth in Section 3.13(l).

"Confidential Information" has the meaning set forth in Section 5.8(b).

"Confidentiality Agreement" means with respect to Buyer or any if its Affiliates, and each holder of ownership interests therein, the confidentiality agreement entered into by and between Lucky and such holder or an Affiliate of such holder.

"Contract" means any agreement, contract, license, arrangement, commitment, promise, obligation, right, instrument, document, purchase order, sales order, or other similar commitment or instrument, whether written or oral, that is intending to be binding on the parties thereto (other than any Leases).

"Contracting Parties" has the meaning set forth in Section 9.14.

"Copyright Assignment Agreement" has the meaning set forth in Section 2.5(c).

"Cost" has the meaning set forth in Section 5.11(c).

"Covered Employee" means an employee of any Seller or any of its Subsidiaries as of the date hereof whose duties relate primarily to the operation of any portion of the Business, including such employees who are on short-term disability, long-term disability or any other approved leave of absence as of the Closing.

"Credit Bid" has the meaning set forth in Section 2.3(a).

"Credit Card Receivables" means the accounts receivable and other amounts owed to any of the Sellers in connection with any customer purchases, returns or exchanges from any of the Stores or E-Commerce Platform that are made with credit cards, including, for the avoidance of doubt, any payment processor receivables.

"Cure Costs" means all monetary Liabilities of the Sellers that must be paid or otherwise satisfied to cure all of Sellers' monetary defaults required to be cured under section 365(b)(1) of the Bankruptcy Code or otherwise to effectuate, pursuant to the Bankruptcy Code, the assumption by any Seller of executory Contracts and unexpired Leases.

"Cure Notice" means those certain statements filed with the Bankruptcy Court regarding the Sellers' potential assumption and assignment of Contracts and Leases and the related Proposed Cure Costs.

"Debt Financing" means an amendment to Buyer's existing credit facilities to provide additional availability to Buyer in an amount, when taken together with cash on hand and other funds readily available to Buyer (including funds to be provided by IP Buyer), sufficient for Buyer and its permitted designee(s) to deliver the full amount of the Closing Cash Purchase Price and satisfy Buyer's and its Affiliates' integration and transaction-related fees, costs and expenses, and otherwise on terms and conditions acceptable to Buyer.

"Decree" means any judgment, decree, ruling, injunction, assessment, attachment, undertaking, award, charge, writ, executive order, administrative order, or any other order of any Governmental Authority.

"Deposit" has the meaning set forth in Section 2.3(b).

"Deposit Agent" has the meaning set forth in Section 2.3(b).

"Designated Contract" has the meaning set forth in Section 2.7(c).

"Designated Lease" has the meaning set forth in Section 2.7(c).

"Designated Merchandise" means up to $3,000,000 in Book Value of Merchandise held in the Distribution Centers that Buyer, in its sole discretion, may designate on or before July 24, 2020; provided, however, that Designated Merchandise shall not include Merchandise that is being held to fulfill wholesale orders.

"Designated Merchandise Amount" means the aggregate Book Value of the Designated Merchandise.

"Designation Counterparty" has the meaning set forth in Section 2.7(c).

"Designation Notice" has the meaning set forth in Section 2.7(c).

"Designation Rights Period" means, with respect to any Contracts or Leases to be assumed and assigned or rejected pursuant to Section 2.7(c), the period from the Closing Date through the later of (i) the date on which the Bankruptcy Court enters an order confirming a reorganization or liquidation plan concerning the Sellers in the Bankruptcy Cases, and (ii) October 30, 2020; provided, that such date may be extended with respect to any Designated Contract or Designated Lease (a) for up to an additional 180 days beyond October 30, 2020 with the consent of Buyer and the applicable Designation Counterparty and (b) for up to an additional 180 days beyond the expiration of the 180 day extension period set forth in (a) above with the consent of Sellers, Buyer and the applicable Designation Counterparty; provided, further, however, that notwithstanding the forgoing proviso, Buyer and Sellers shall work in good faith to ensure that the Designation Rights Period is extended in a manner that does not delay the Sellers' intended conclusion of the Bankruptcy Cases including confirmation of a chapter 11 plan under the Bankruptcy Code as expeditiously as practicable.

"DIP Agent" means the DIP Lender Representative set forth as agent in the DIP Financing Agreement.

"DIP Financing Agreement" means that certain Superpriority Junior Debtor-in-Possession Secured Promissory Note, dated as of July __, 2020, by and among the borrower and guarantors listed therein, the DIP Agent, and the lender parties thereto.

"DIP Interim Order" means that certain Interim Order pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, 503, 507, and 552 (I) Authorizing the Debtors to (A) Obtain Postpetition Financing, and (B) Use Cash Collateral; (II) Granting Adequate Protection to the Prepetition Lenders; (III) Granting Liens and Superpriority Claims; (IV) Modifying the Automatic Stay; (V) Scheduling a Final Hearing; and (VI) Granting Related Relief.

"DIP Lenders" means those lender parties to the DIP Financing Agreement.

"DIP Order" means the DIP Interim Order and such further order of the Bankruptcy Court granting similar relief on a final basis.

"Disclosure Schedule" has the meaning set forth in Article III.

"Dispute Notice" has the meaning set forth in Section 2.6(b)(ii)

"Distribution Centers" means the distribution facilities leased by the Sellers and located at 14050 Norton Ave., Chino, CA 91710 and 40 Logistics Blvd, Walton, KY 41094.

"Domain Name Assignment Agreement" has the meaning set forth in Section 2.5(c).

"E-Commerce Platform" means the series of software and hardware applications (and related services) integrated into and used in the operation of, and through which Sellers sell inventory to consumers who place orders for such inventory through, the luckybrand.com (and similar permutations thereof) websites and any other websites used by Sellers and related internet or "app" based sales, marketing, advertising, and social media channels, including the Contracts pursuant to which such software and hardware applications (and related services) are owned or licensed by Sellers.

"Encumbrances" means any claim, community or other marital property interest, condition, equitable interest, right of way, encroachment, servitude, right of first refusal or similar restriction, including any restriction on use, voting right (in the case of any security or equity interest), transfer right, right to receipt of income or exercise of any other attribute of ownership.

"Environmental Law" means all applicable Laws including any common law cause of action concerning (i) pollution or protection of the environment, or worker health and safety (relating to exposure to Hazardous Substances), or (ii) the manufacture, processing, distribution, use, treatment, storage, disposal, transport, handling, Release or threatened Release of Hazardous Substances.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" means, with respect to any Person, any corporation, trade or business which, together with such person, is a member of a controlled group of corporations or a group of trades or businesses under common control within the meaning of section 414 of the IRC or section 4001 of ERISA.

"Escrow Agent" means First American Title Insurance Company or another escrow agent mutually agreed to by the Parties (including the Deposit Agent).

"Estimated Credit Card Receivables" means $750,000.

"Estimated Specified Trade Receivables Amount" means $19,300,000.

"Estimated Store Cash Amount" means $112,000.

"Estimated TCIV Amount" means $74,000,000.

"Excluded Assets" means the following assets of Sellers, and only the following assets:

(a) all (i) organizational documents, qualifications to conduct business as a foreign corporation, arrangements with registered agents relating to foreign qualifications, taxpayer and other identification numbers, seals, minute books, stock transfer books, stock certificates, and other documents relating to any Seller's organization, maintenance, existence, and operation; (ii) books and records, correspondence or communications to the extent related to (A) Taxes paid or payable by the Sellers, (B) any claims, obligations or liabilities not included in Assumed Liabilities, or (C) this Agreement, any Related Agreement or the negotiation or consummation of the transactions contemplated hereunder or thereunder (and including any attorney-client privilege associated with any of the items described in the preceding clauses (A), (B) or (C)); and (iii) any Tax refund, deposit, prepayment, credit, attribute, or other Tax asset or Tax receivable of or with respect to any of the Sellers, in each case to the extent attributable to any Pre-Closing Tax Period (other than those described in clause (bb) of the definition of Acquired Assets);

(b) all Cash Equivalents (other than the Store Cash Amount, Standby Letters of Credit Cash Collateral, and Credit Card Receivables), including all cash deposits in cash collateral (other than Standby Letters of Credit Cash Collateral), indemnity or other accounts solely to the extent comprising professional fee retainers, professional fee escrows and indemnity accounts funded in accordance with the DIP Order, held by or on behalf of the Sellers' or the bankrupt estates' professionals ("Bankruptcy Deposit Accounts");

(c) all capital stock or other equity interests of any of the Sellers' direct or indirect Subsidiaries;

(d) all insurance policies and binders and all claims, refunds and credits from insurance policies or binders due or to become due with respect to such policies or binders (but excluding the Acquired Insurance Proceeds), including, for the avoidance of doubt, the Tail Policies;

(e) all of Sellers' rights under this Agreement or any Related Agreement;

(f) all of Sellers' rights under any Excluded Asset;

(g) all Contracts other than the Transferred Contracts;

(h) all Leases other than the Assumed Leases;

(i) all Company Benefit Plans (including, unless such Company Benefit Plan is assumed in which case such Company Benefit Plan and its liabilities will be Acquired Assets and Assumed Liabilities, all assets, trusts, insurance policies, and administration service contracts related thereto);

(j) the personnel records (including all human resources and other records) of Sellers relating to employees of Sellers other than in relation to the Transferred Employees as contemplated by Section 6.4;

(k) any Personal Information or other books and records, data or other information to the extent the transfer of which hereunder would result in a violation of applicable Law;

(l) any credit card numbers or related customer payment source, or social security numbers;

(m) any claims, causes of action, lawsuits, judgments, privileges, counterclaims, defenses, demands, right of recovery, rights of set-off, rights of subrogation and all other rights of any kind, in each case to the extent arising from the Excluded Assets or the Excluded Liabilities;

(n) all rights, properties or assets held by Lucky Brand Dungarees Canada, Inc. or the Lucky Brand Foundation; and

(o) all inventory at the Closed Stores and at the Closing Stores.

"Excluded Liabilities" means any and all Liabilities of Sellers, whether existing at the Closing or arising thereafter, other than the Assumed Liabilities. Without limiting the foregoing, the Buyer shall not be obligated to assume, and does not assume, and hereby disclaims all the Excluded Liabilities, including the following Liabilities of any of the Sellers or of any predecessor of any of the Sellers, whether incurred or accrued before or after the Closing:

(a) all Cure Costs other than Buyer Cure Costs;

(b) any Liability of Sellers or of any of their predecessors associated with any and all indebtedness, including any guarantees of third party obligations and reimbursement obligations to guarantors of Sellers' or any of their respective Subsidiaries' obligations, and including any guarantee obligations or imputed Liability through veil piercing incurred in connection with Sellers' Subsidiaries;

(c) all Taxes, including Retained Taxes and including Taxes identified in clause (h) of this definition of "Excluded Liabilities", other than Assumed Taxes and Transfer Taxes (which shall be borne by Buyer pursuant to Section 6.6(a));

(d) all Liabilities of Sellers or of any of their predecessors under this Agreement or any Related Agreement and the transactions contemplated hereby or thereby;

(e) all Liabilities of any Subsidiaries of a Seller or of any of their predecessors;

(f) any Liabilities in respect of any Contracts or Leases that are not Transferred Contracts or Assumed Leases, including any Liabilities arising out of the rejection of any such Contracts or Leases pursuant to Section 365 of the Bankruptcy Code;

(g) except for Liabilities expressly identified as Assumed Liabilities, all Liabilities for fees, costs and expenses that have been incurred or that are incurred or owed by Sellers or of any of their predecessors in connection with this Agreement or the administration of the Bankruptcy Cases (including all fees and expenses of professionals

engaged by Sellers) and administrative expenses and priority claims accrued through the Closing Date and specified post-closing administrative wind-down expenses of the bankrupt estates pursuant to the Bankruptcy Code (which such amounts shall be paid by Sellers from the proceeds collected in connection with the Excluded Assets) and all costs and expenses incurred in connection with (i) the negotiation, execution and consummation of the transactions contemplated under this Agreement and each of the other documents delivered in connection herewith, (ii) the negotiation, execution and consummation of the DIP Financing Agreement, and (iii) the consummation of the transactions contemplated by this Agreement, including any retention bonuses, "success" fees, change of control payments and any other payment obligations of Sellers or of any of their predecessors payable as a result of the consummation of the transactions contemplated by this Agreement and the documents delivered in connection herewith;

(h) all employment-related Liabilities of Sellers, including (i) Liabilities for any action resulting from Sellers' employees' separation of employment, including any severance or separation pay, (ii) Liabilities resulting from or related to the transactions contemplated hereby whether before, on or after the Closing (but excluding all Liabilities arising after the Closing from Buyer's employment of Transferred Employees), (iii) Liabilities arising out of or relating to any collective bargaining Contract, labor negotiation, employment Contract, and consulting Contract, (iv) any Liabilities arising from or related to payroll and payroll Taxes for the current and former employees or independent contractors or other service providers of Sellers or any Subsidiary of a Seller accrued or deferred as permitted under Section 2302 of the Coronavirus Aid, Relief, and Economic Security Act of 2020 that otherwise would have been required to be deposited and paid in connection with amounts paid to such person at any time on or prior to the Closing, and including all Liabilities arising out of Sellers' misclassification (to the extent applicable) in any period prior to the Closing of any employee as an independent contractor; (v) and Liabilities of Sellers for vacation, sick leave, parental leave, and other paid-time off accrued by Sellers on and prior to Closing and (vi) all Liabilities with respect to former employees and any employee that does not become a Transferred Employee (other than any COBRA Liabilities with respect to any such employees who are M&A Qualified Beneficiaries provided that Sellers shall provide Buyer with a complete list no later than five (5) Business Days following the date of this Agreement of any individuals who are currently on COBRA (and the remainder of their scheduled COBRA period) or whose COBRA election period has not yet expired);

(i) all Liabilities related to the WARN Act, to the extent applicable, with respect to the Sellers' termination of employment of Sellers' employees on or prior to Closing (for the avoidance of doubt reference to Sellers in clauses (h) and (i) shall refer to Sellers and its Affiliates);

(j) all Liabilities arising under or relating to Company Benefit Plans (including all assets, trusts, insurance policies and administration service contracts related thereto);

(k) all Liabilities of Sellers or of any of their predecessors to their respective equity holders respecting dividends, distributions in liquidation, redemptions of interests,

option payments or otherwise, and any Liability of Sellers or of any of their predecessors pursuant to any Affiliate Agreement that is not a Transferred Contract;

(l) all Liabilities arising out of or relating to any business or property formerly owned or operated by any of the Sellers, any Affiliate or predecessor thereof, but not presently owned and operated by any of the Sellers;

(m) all Liabilities relating to claims, actions, suits, arbitrations, litigation matters, proceedings or investigations (in each case whether involving private parties, Governmental Authorities, or otherwise) involving, against, or affecting any Acquired Asset, the Business, Sellers, any of their Affiliates or predecessors, or any assets or properties of Sellers or of any of their predecessors, in each case arising out of the ownership or operation of the Stores, Distribution Centers, E-Commerce Platform or any Acquired Asset prior to the Closing;

(n) all Liabilities arising under Environmental Laws, other than to the extent arising out of the ownership or operation of the Stores, Distribution Centers, E-Commerce Platform or any Acquired Asset from and after the Closing;

(o) all accounts payable of the Sellers or of any of their predecessors;

(p) all Liabilities of Sellers or of any of their predecessors arising out of any Contract, Permit, or claim that is not transferred to Buyer hereunder; and

(q) all Liabilities for all Professional Fees Amounts; and

(r) all Liabilities of Lucky Brand Dungarees Canada, Inc. or the Lucky Brand Foundation.

"Expense Reimbursement" has the meaning set forth in Section 5.3(f)(i).

"Express Representations" has the meaning set forth in Section 6.7.

"File" has the meaning set forth in Section 5.11(c).

"Final Order" means an order, judgment or other decree of the Bankruptcy Court or any other Governmental Authority of competent jurisdiction that has not been reversed, vacated, modified or amended, is not stayed and remains in full force and effect and is no longer subject to appeal.

"Final Purchase Price Allocation" has the meaning set forth in Section 2.8.

"Final Store Inventory Date" has the meaning set forth in Section 5.11(b).

"Financial Statements" has the meaning set forth in Section 3.17(a).

"Financing Contingency Waiver" has the meaning set forth in Section 8.1(n).

"FOB" means Free On Board under the Incoterms standard published by the International Chamber of Commerce.

"Furnishings and Equipment" means all tangible assets (other than Merchandise) owned by Sellers or leased or licensed by Sellers pursuant to any Transferred Contract and in each case located at the Stores, Distribution Centers, or corporate offices, including fixtures, trade fixtures, store models, shelving, machinery, equipment, computers, telephones, vehicles, appliances, supplies, furniture, furnishings, janitorial and cleaning equipment, partitions, desks, chairs, tables, telephone lines, cubicles, point-of-sale systems, graphics, branding, signs and signage (including any signs and signage on any buildings, pylons or monuments and any directional or other ground or off-premises signs and signage).

"GAAP" means United States generally accepted accounting principles consistently applied.

"Governmental Authority" means any federal, state, local, or foreign government or governmental, taxing or regulatory authority, agency, board, bureau, commission, court, department, or other governmental entity.

"Hazardous Substances" means any toxic or hazardous material, substance or waste as to which liability or standards or conduct may be imposed, or that is the subject of regulatory action or could otherwise give rise to liabilities or obligations under, any Environmental Laws, including petroleum product or by-product, asbestos-containing material, lead-containing paint or plumbing, polychlorinated biphenyls, per- and polyfluoroalkyl substances, radioactive material, toxic molds, and radon.

"Holdback Escrow Agreement" means an escrow agreement, by and among Lucky, Buyer and the Escrow Agent, in the form to be reasonably agreed by Sellers, Buyer and the Escrow Agent between the date hereof and the Closing Date.

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvement Act of 1976, as amended, and the rules and regulations promulgated thereunder.

"HWS" shall have the meaning set forth in Section 5.13.

"In-Transit Merchandise" means Merchandise that is in-transit from a supplier where title has passed to any Seller.

"Independent Accountant" shall have the meaning set forth in Section 2.6(b)(iii).

"Intellectual Property" means all intellectual property rights or intellectual property assets worldwide (whether arising under statutory or common law, contract or otherwise), which include all of the following items: (i) technology, proprietary information and materials, including inventions, discoveries, processes, designs, tools, molds, techniques, developments and related improvements whether or not patentable; (ii) patents, patent applications, industrial design registrations and applications therefor, divisions, divisionals, continuations, continuations-in-part, reissues, substitutes, renewals, registrations, confirmations, reexaminations, extensions and any provisional applications, and any foreign or international equivalent of any of the foregoing

(collectively, "Patents"); (iii) trademarks (whether registered, unregistered or applied-for), trade dress, service marks, service names, trade names, brand names, product names, logos, corporate names, fictitious names, other names, symbols (including business symbols), slogans, social media identifiers (such as a Twitter® handle) and any foreign or international equivalent of any of the foregoing and any applications or registrations in connection with the foregoing; (collectively, "Trademarks"); (iv) domain name registrations; (v) technical, scientific and other know-how and information (including promotional material), trade secrets, confidential information, methods, processes, practices, formulas, designs, design rights, patterns, assembly procedures, software, specifications, drawings, prototypes, molds, models, tech packs, artwork, archival materials and advertising materials, copy, commercials, images, artwork, and samples; (vi) copyrights, including copyrights in databases, copyright applications, and copyright registrations, works of authorship and moral rights (collectively, "Copyrights"); (vii) databases and data collections; (viii) customer lists, customer contact information, customer licensing and purchasing histories, manufacturing information, business plans, product roadmaps, and archival collections (if any) of articles of clothing, accessories, or any products or services; (ix) all other proprietary or intellectual property rights of every kind and nature now known or hereafter recognized in any jurisdiction; (x) the right to sue for infringement and other remedies against infringement of any of the foregoing; and (xi) rights to protection of interests in the foregoing under the Laws of all jurisdictions, including all registrations, renewals, extensions, combinations, divisions, or reissues of, and applications for, any of the rights referred to above.

"Intellectual Property Licenses" means (i) any grant by any Seller to a third Person of any right to use any Intellectual Property owned by or licensed to the Sellers, other than Contracts *(e.g.,* information technology, e-commerce, marketing) entered into in the Ordinary Course of Business pursuant to which Transferred Intellectual Property is licensed to any counterparty to such Contracts in the performance of such counterparty's services for Sellers or any of their Subsidiaries thereunder, and (ii) any grant to the Sellers of a right to use a third Person's Intellectual Property rights, and in each case, including any amendments thereto.

"Interest" means any interest within the meaning of section 363(f) of the Bankruptcy Code, including any interest of a Governmental Authority, and all other interests, pledges, security interests, rights of setoff, restrictions or limitations on use, successor liabilities, conditions, rights of first refusal, options to purchase, obligations to allow participation, agreements or rights, rights asserted in litigation matters, competing rights of possession, obligations to lend, matters filed of record that relate to, evidence or secure an obligation of the Sellers (and all created expenses and charges) of any type under, among other things, any document, instrument, agreement, affidavit, matter filed of record, cause, or state or federal Law, whether known or unknown, legal or equitable, and all liens, rights of offset, replacement liens, adequate protection liens, charges, obligations, or claims granted, allowed or directed in any Decree.

"Interim Balance Sheet Date" has the meaning set forth in Section 3.17(a).

"Interim Financial Statements" has the meaning set forth in Section 3.17(a).

"Inventory Agent" has the meaning set forth in Section 5.11(a).

"Inventory Report" has the meaning set forth in Section 5.11(d).

"IRC" means the Internal Revenue Code of 1986, as amended.

"IRS" means the Internal Revenue Service.

"Knowledge" of Sellers or the Company (and other words of similar import) means the knowledge of Maryn Miller, Christopher Cansiani, Amy Leonard, Tyson Stewart, Geoff Staff, David Basadre, Cindi Bruner and Mark Renzi.

"Law" means any applicable federal, state, municipal or local or foreign law, Decree (judicial or administrative), statute, code, constitutions, regulation, ordinance, decree, common law principle, rule, treaty, collective agreements, judgment or other requirement issued, enacted, adopted, promulgated, implemented or otherwise with similar effect of any Governmental Authority.

"Leased Real Property" has the meaning set forth in Section 3.6(a).

"Leases" means all leases, subleases, licenses, concessions, options, contracts, extension letters, easements, reciprocal easements, assignments, termination agreements, subordination agreements, nondisturbance agreements, estoppel certificates and other agreements (written or oral), and any amendments or supplements to the foregoing, and recorded memoranda of any of the foregoing, pursuant to which any Seller holds any leasehold or subleasehold estates and other rights in respect of any Store, Distribution Center or office.

"Liability" means any liability or obligation of whatever kind or nature (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated and whether due or to become due) regardless of when arising.

"Lien" means any lien (statutory or otherwise), Claim, Encumbrance, Interest, Liability, deed of trust, right of first offer, easement, servitude, transfer restriction under any shareholder or similar agreement, mortgage, pledge, lien, charge, security interest, option, right of first refusal, easement, security agreement or other encumbrance or restriction on the use or transfer of any property, hypothecation, license, preference, priority, covenant, right of recovery, order of any Governmental Authority, of any kind or nature (including (i) any conditional sale or other title retention agreement and any lease having substantially the same effect as any of the foregoing, (ii) any assignment or deposit arrangement in the nature of a security device, and (iii) any leasehold interest, license, or other right, in favor of a third party or Sellers, to use any portion of the Acquired Assets), whether secured or unsecured, choate or inchoate, filed or unfiled, scheduled or unscheduled, noticed or unnoticed, recorded or unrecorded, contingent or non-contingent, material or non-material, known or unknown; provided, however, that "Lien" shall not be deemed to include any license of Intellectual Property.

"Litigation" means any action, cause of action, suit, claim, investigation, audit, demand, hearing or proceeding, whether civil, criminal, administrative, or arbitral, whether at law or in equity, before any Governmental Authority.

"Lucky" has the meaning set forth in the preamble.

"M&A Qualified Beneficiaries" means those individuals who are "M&A qualified beneficiaries" for purposes of COBRA under Section 4980B of the IRC and the regulations thereunder with respect to the transactions contemplated by this Agreement.

"Material Adverse Effect" means any event, change, occurrence or effect that, individually or in the aggregate, (i) has had, or would reasonably be expected to have, a material adverse effect on the Acquired Assets, Assumed Liabilities or the financial condition of the Business, taken as a whole, or (ii) prevents, materially impedes or materially delays or would reasonably be expected to prevent, materially impede or materially delay, the consummation by the Sellers of the transactions contemplated by this Agreement; provided, however, that with respect to clause (i), no effect, change, event or occurrence to the extent arising out of or resulting from the following, shall constitute or be taken into account, individually or in the aggregate, in determining whether there has been or will be a Material Adverse Effect: (a) general business or economic conditions in any of the geographical areas in which the Stores operate or affecting retail clothing stores generally; (b) national or international political or social conditions, including the engagement by any country in hostilities, or the occurrence of any military or terrorist attack; (c) any event, change, occurrence or effect affecting United States financial, banking, or securities markets (including any disruption thereof or any decline in the price of securities generally or any market or index); (d) the occurrence of any act of God or other calamity or force majeure events; (e) changes in Law or GAAP; (f) plagues or outbreaks of epidemics or pandemics (including the novel coronavirus ("COVID-19")); (g) the taking of any action expressly required by this Agreement (other than Section 5.2(a)); (h) the announcement of this Agreement or the consummation of the transactions contemplated hereby, in each case to the extent relating to the identity, nature or ownership of Buyer; (i) any seasonal fluctuations in the Business consistent with historical seasonal fluctuations in the Business; (j) any failure, in and of itself, to achieve any budgets, projections, forecasts, estimates, plans, predictions, performance metrics or operating statistics or the inputs into such items (whether or not shared with Buyer or its Affiliates or Representatives) (but, for the avoidance of doubt, not the underlying causes of any such failure to the extent such underlying cause is not otherwise excluded from the definition of Material Adverse Effect); (k) any material breach by Buyer of this Agreement; (l) any filing or motion made under sections 1113 or 1114 of the Bankruptcy Code; or (m) any effect resulting from the filing or pendency of the Bankruptcy Cases, any order of the Bankruptcy Court or any actions or omissions of Sellers taken or not taken in order avoid a violation of such order; except, in the case of each of clauses (a), (b), (c), (d), (e) or (f), to the extent that the Acquired Assets, the Assumed Liabilities or the Business, taken as a whole, are disproportionately affected thereby as compared with other participants in the industries in which Sellers operate.

"Merchandise" shall mean all first quality finished goods inventory owned by any Seller that is salable in the Ordinary Course of Business. For the avoidance of doubt, and not withstanding anything in this Agreement to the contrary, "Merchandise" shall not include: (i) damaged and defective inventory (as determined consistent with Sellers' policy for the Stores set forth on Schedule 5.11(a) or, for purposes of the Test Store Results, as otherwise determined by the Inventory Agent based on the Store Inventory Taking procedures mutually agreed by the Parties); (ii) goods which belong to sublessees, licensees, department lessees, or concessionaires of any Seller; (iii) goods held by any Seller on memo, on consignment, or as bailee; (iv) inventory located in the Closing Stores or in the Closed Stores; or (v) Furnishings and Equipment or improvements to real property.

"Non-Party Affiliates" has the meaning set forth in Section 9.14.

"Non-Test Stores" has the meaning set forth in Section 5.11(c)(ii).

"Objection Deadline" has the meaning set forth in Section 2.7(c).

"OFAC" has the meaning set forth in Section 3.14(c).

"Ordinary Course of Business" means the ordinary and usual course of normal day-to-day operations of the Business as conducted by the Sellers through the date hereof consistent with past practice and (a) taking into account the commencement and pendency of the Bankruptcy Cases to the extent consistent with the Approved Budget (as defined in the DIP Order) and (b) with such deviations therefrom as are reasonably necessary, during any period of full or partial suspension of operations related to COVID-19, to (i) protect the health and safety of Sellers' or their Subsidiaries' employees and other individuals having business dealings with Sellers or their Subsidiaries or (ii) respond to third-party supply or service disruptions caused by COVID-19; provided, that following any such suspension, to the extent that Sellers or any of their Subsidiaries took any actions pursuant to this clause (b) that caused deviations from its business being operated in the Ordinary Course of Business (without giving effect to this clause (b)), Sellers and their respective Subsidiaries resume conducting business in the Ordinary Course of Business (without giving effect to this clause (b)) in all material respects as soon as reasonably practicable.

"Outside Date" has the meaning set forth in Section 8.1(b)(ii).

"Parties" has the meaning set forth in the preamble.

"Patent Assignment Agreement" has the meaning set forth in Section 2.5(c).

"Permit" means any franchise, approval, permit, license, order, registration, certificate, variance or similar right obtained from any Governmental Authority.

"Permitted Lien" means (a) Liens for Taxes not yet delinquent, or which are being contested in good faith by appropriate proceedings, in each case arising or incurred in the Ordinary Course of Business and for which proper reserves have been established on the financial statements of the Company in accordance with GAAP; (b) mechanic's, workmen's, repairmen's, warehousemen's, carrier's or other similar Liens, including all statutory liens, arising or incurred in the Ordinary Course of Business; (c) with respect to leased or licensed real or personal property, the terms and conditions of the lease, license, sublease or other occupancy agreement applicable thereto which are customary; (d) with respect to real property, usual and customary zoning, building codes and other land use Laws regulating the use or occupancy of such real property or the activities conducted thereon which are imposed by any Governmental Authority having jurisdiction over such real property; (e) Liens to be released pursuant to the Sale Order; and (f) customary easements, covenants, conditions, restrictions and other similar non-monetary matters affecting title to real property and other encroachments and title and survey defects; provided, that they do not materially detract from the use or value of the applicable property.

"Permitted Post-Closing Lien" means, with respect to the Acquired Assets (a) Liens described in clauses (c), (d) and (f) in the definition of "Permitted Liens" and any non-monetary

encumbrances not in fact released upon Closing pursuant to the Sale Order; provided, that with respect to all Liens that are "Permitted Post-Closing Liens" pursuant to this clause (a), such Liens do not materially detract from the use or value of the applicable property as it is currently being used, and (b) other Permitted Liens described in clauses (a) and (b) in the definition of "Permitted Liens" securing monetary obligations which, individually or in the aggregate with all other Permitted Liens treated as Permitted Post-Closing Liens pursuant to this clause (b), do not exceed $10,000.

"Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or any other entity, including any Governmental Authority or any group of any of the foregoing.

"Personal Information" has the meaning set forth in Section 3.10.

"Petition Date" has the meaning set forth in the recitals.

"Post-Closing Tax Period" means any taxable period beginning on or after the Closing Date.

"Pre-Closing Estimated TCIV" means the sum of (i) the estimated aggregate Book Value of In-Transit Merchandise on order as of the expected Closing Date (based upon such amount as of the Final Store Inventory Date and taking into account the period between the Final Store Inventory Date and the Closing Date), provided, however that for purposes of determining Pre-Closing Estimated TCIV, In-Transit Merchandise shall (x) include the value of any in-transit inventory that would otherwise constitute Merchandise but for the fact that title has not yet passed to Sellers that (A) has been paid for in advance by Sellers or for which Sellers have posted a Standby Letter of Credit against a purchase order for such in-transit inventory and (B) with respect to such in-transit inventory title has not yet transferred to the applicable Seller, and (y) exclude any In-Transit Merchandise for which an outstanding Standby Letter of Credit has been posted (other than Standby Letters of Credit described in the preceding clause (A)) if such Standby Letter of Credit is replaced or otherwise fully settled, secured or supported by Buyer in accordance with Section 5.9; (ii) the estimated aggregate Book Value of Merchandise held in the Distribution Centers based on Sellers' books and records as of the Closing Date (based upon such amount as of the Final Store Inventory Date and taking into account the period between the Final Store Inventory Date and the Closing Date) *multiplied* by 0.994, and (iii) the estimated Total Store Inventory Value as determined in accordance with Section 5.11(d) (adjusted as necessary or appropriate, on an estimated basis, to take into account a "roll-forward" of actual sales and/or returns of Merchandise at the Stores between the Final Store Inventory Date and the expected Closing Date). For the avoidance of doubt, the Designated Merchandise Amount shall be included in the calculation of Pre-Closing Estimated TCIV whether or not the Designated Merchandise remains in the Distribution Centers.

"Pre-Closing Statement" has the meaning set forth in Section 2.3(c).

"Pre-Closing Tax Period" means any taxable period ending on or prior to the day immediately preceding the Closing Date.

"Prepetition Senior Credit Agreement" means that certain Third Amended and Restated ABL Credit Agreement, dated November 12, 2019, by and among Lucky Brand Dungarees, LLC and certain subsidiaries thereto, as borrowers, the lenders from time to time party thereto, and Wells Fargo Bank, National Association, as administrative agent, term agent and collateral agent (as amended, restated, supplemented or otherwise modified from time to time).

"Prepetition Senior Credit Facility" means the revolving credit facility and term loan facility as set forth in the Prepetition Senior Credit Agreement.

"Professional Fees Amount" means an amount equal to all fees and expenses incurred and estimated to be incurred on or prior to the Closing Date (regardless of whether such fees and expenses have been approved by the Bankruptcy Court as of the Closing Date) by any professional retained pursuant to sections 327 and 1103 of the Bankruptcy Code in the Bankruptcy Cases;

"Proposed Cure Costs" has the meaning set forth in Section 2.7(a).

"Prorated Charges" has the meaning set forth in Section 2.9(a).

"Purchase Price" has the meaning set forth in Section 2.3(a).

"Purchase Price Allocation" has the meaning set forth in Section 2.8.

"Purchased Actions" means all causes of action, lawsuits, judgments, Claims, refunds, rights of recovery, rights of setoff, counterclaims, defenses, demands, remedies, warranty claims, rights to indemnification, contribution, advancement of expenses or reimbursement, or similar rights (whether choate or inchoate, known or unknown, contingent or noncontingent) available to Sellers or their estates as of the time of Closing against (A) Buyer or any of its Affiliates (other than Claims pursuant to this Agreement or arising out of the transactions contemplated hereby), (B) any person who at any time at or prior to Closing served or may serve as a director, officer, manager, employee or advisor of any Seller and any shareholder or Related Party of any Seller, (C) any customer, supplier, manufacturer, distributor, broker, or vendor of any Seller or any other Person with whom any Seller has an ordinary course commercial relationship, (D) the DIP Agent and the DIP Lenders, and (E) the Secured Parties.

"Related Agreements" means the Bill of Sale and Assignment and Assumption Agreement, the Copyright Assignment Agreement, the Trademark Assignment Agreement, the Benefits TSA, the Domain Name Assignment Agreement, the Holdback Escrow Agreement, and any certificates delivered pursuant to this Agreement.

"Related Party" means, with respect to any Person, such Person's Affiliates, successors and assigns and the partners, shareholders, members, investors and potential investors, parents, predecessors, subsidiaries, controlling persons, current and former directors, current and former officers, employees, agents, trustees, administrators, managers, advisors, attorneys and representatives of such Person and of such Person's Affiliates, successors and assigns.

"Release" means any release, spill, emission, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, disposal, dumping, dispersing, leaching or migrating in, into, onto or through the indoor or outdoor environment.

"Released Actions" means (i) all Purchased Actions other than those described in clause (C) of the definition thereof, and (ii) solely to the extent arising under chapter 5 of the Bankruptcy Code, all Purchased Actions described in clause (C) of the definition thereof.

"Representative" means, when used with respect to a Person, the Person's controlled and controlling Affiliates (including Subsidiaries) and such Person's and any of the foregoing Persons' respective officers, directors, managers, members, shareholders, partners, employees, agents, representatives, advisors (including financial advisors, bankers, consultants, legal counsel, and accountants), and financing sources.

"Requesting Party" has the meaning set forth in Section 6.2.

"Retained Taxes" means any Liability for Taxes (i) arising from or related to the Sellers' ownership or operation of the Business or the Acquired Assets, except to the extent of any Assumed Taxes, (ii) of any and all Sellers (or for which any Seller or any of their Affiliates are otherwise liable, including as a transferee, successor, by contract or otherwise pursuant to applicable Law, or arising as a result of being or having been a member of any consolidated, combined, unitary or other group or being or having included or required to be included in any Tax Return related thereto), except to the extent of any Assumed Taxes, or (iii) in respect of any Excluded Assets. For the avoidance of doubt, all Transfer Taxes shall be borne by Buyer pursuant to Section 6.6(a).

"Review Period" has the meaning set forth in Section 2.6(b)(i).

"Sale Hearing" means the hearing for (i) approval of, among other things, this Agreement and the transactions contemplated herein and (ii) entry of the Sale Order.

"Sale Order" means the sale order or orders (i) approving this Agreement and the terms and conditions hereof, (ii) containing the findings and provisions set forth in Section 5.4(b), (iii) approving and authorizing Sellers to consummate the transactions contemplated hereby, and (iv) approving the streamlined procedures for Closing Sales and Store Closings to be conducted by Buyer, and which shall be in form and substance reasonably satisfactory to Buyer and Sellers.

"Second Lien Lenders" means has the meaning set forth in the DIP Interim Order.

"Secured Parties" means the Prepetition Secured Parties (as defined in the DIP Order).

"Seller Fundamental Representations" has the meaning set forth in Section 7.1(a).

"Seller Proration Amount" has the meaning set forth in Section 2.9(a).

"Seller Related Parties" has the meaning set forth in Section 5.8(b).

"Sellers" has the meaning set forth in the preamble.

"Specified Trade Receivables" means the valid trade receivables of Sellers due and payable by one of the following accounts in connection with inventory sold by the Sellers to such account: (i) TJX, (ii) Costco, (iii) Amazon, (iv) Macy's, (v) Nordstrom, (vi) Dillard's, (vii) AAFES, (viii)

Marines and (ix) Navy/Nexcom. Notwithstanding the foregoing, the definition of Specified Trade Receivables shall exclude all accounts receivable that are subject to a dispute with the account or which are aged more than 180 days from the date of delivery of the inventory. The amount of the Specified Trade Receivables shall be calculated as the face amount (x) net of all offsets, credit memos, discounts, and slotting or placement fees, and (y) net of any unapplied payments. Furthermore, the amount of receivables due from Macy's in excess of $2,770,000 (which amount may be increased by mutual agreement of the Parties) shall be excluded from Specified Trade Receivables.

"Specified Trade Receivables Adjustment" means (a) the difference between the Estimated Specified Trade Receivables Amount and the Specified Trade Receivables on the Closing Date; which may be a positive or negative number, multiplied by (b) 0.85. The Specified Trade Receivables Adjustment shall be set forth in the Pre-Closing Statement (as defined below).

"Standby Letters of Credit" means the letters of credit (including documentary letters of credit posted against purchase orders in respect of inventory) set forth on Schedule B or issued pursuant to the DIP Financing Agreement.

"Standby Letters of Credit Cash Collateral" means any unused cash collateral under the Standby Letters of Credit replaced by Buyer in accordance with Section 5.9.

"Store Cash Amount" means all cash located at the Stores (other than the Closing Stores and Closed Stores), all cash located in Store (other than Closing Store and Closed Store) depository accounts or en route to Store (other than Closing Store and Closed Store) depository accounts, all petty cash located at the Stores (other than Closing Stores and Closed Stores), Distribution Centers and corporate offices.

"Store Closings" has the meaning set forth in Section 6.13.

"Store Inventory Date" has the meaning set forth in Section 5.11(b).

"Store Inventory Taking" has the meaning set forth in Section 5.11.

"Stores" has the meaning set forth in the recitals.

"Straddle Period" means any taxable period beginning on or before the day immediately prior to the Closing Date and ending after such date.

"Subsidiary" means, with respect to any Person, means, on any date, any Person (a) the accounts of which would be consolidated with and into those of the applicable Person in such Person's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date or (b) of which securities or other ownership interests representing more than fifty percent of the equity or more than fifty percent (50%) of the ordinary voting power or, in the case of a partnership, more than fifty percent (50%) of the general partnership interests or more than fifty percent of the profits or losses of which are, as of such date, owned, controlled or held by the applicable Person or one or more subsidiaries of such Person.

"Successful Bidder" means, if an Auction is conducted, the prevailing party at the conclusion of such Auction.

"Tail Policies" has the meaning set forth in Section 5.10.

"Tax" or "Taxes" means any United States federal, state, local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, escheat or unclaimed property, value added, alternative or add-on minimum, estimated or other tax of any kind whatsoever (including withholding on amounts paid to or by any Person) imposed by a Governmental Authority, whether computed on a separate or consolidated, unitary or combined basis or in any other manner, including any interest, penalty or addition thereto and any obligations to indemnify or otherwise assume or succeed to the Tax liability of any other Person.

"Tax Return" means any return, declaration, report, claim for refund or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"TCIV Adjustment Amount" means the product of (a) either (i) the amount by which the Total Closing Inventory Value on the Closing Date as finally determined pursuant to Section 2.6 is less than $72,000,000, or (ii) the amount by which the Total Closing Inventory Value on the Closing Date as finally determined pursuant to Section 2.6 is greater than the Estimated TCIV Amount (as applicable), *multiplied by* (b) 0.9; provided that the TCIV Adjustment Amount shall be equal to $0 if the Total Closing Inventory Value on the Closing Date as finally determined pursuant to Section 2.6 is greater than or equal to $72,000,000 and less than or equal to the Estimated TCIV Amount.

"Test Store Results" has the meaning set forth in Section 5.11(c).

"Test Stores" has the meaning set forth in Section 5.11(a).

"Total Closing Inventory Value" means the sum of (i) the aggregate Book Value of In-Transit Merchandise on order as of the Closing Date (which, for purposes of Section 2.6, shall be determined solely based on reconciled shipping receipts received after the Closing Date); provided, that for purposes of the determination of Total Closing Inventory Value, In-Transit Merchandise shall exclude any In-Transit Merchandise for which an outstanding Standby Letter of Credit has been posted if such Standby Letter of Credit is replaced or otherwise fully settled, secured or supported by Buyer in accordance with Section 5.9, (ii) the aggregate Book Value of Merchandise held in the Distribution Centers based on Sellers' books and records as of the Closing Date *multiplied by* 0.994, and (iii) the Total Store Inventory Value as determined in accordance with Section 5.11(d) (which, for purposes of Section 2.6, shall be adjusted solely to take into account a "roll-forward" of actual sales and/or returns of Merchandise at the Stores between the Final Store Inventory Date and the Closing Date (and shall not be subject to any further adjustment)). For the avoidance of doubt, the Designated Merchandise Amount shall be included in the calculation of

Total Closing Inventory Value whether or not the Designated Merchandise remains in the Distribution Centers.

"Total Store Inventory Value" has the meaning set forth in Section 5.11(d).

"Trade Controls" has the meaning set forth in Section 3.14(c).

"Trademark Assignment Agreement" has the meaning set forth in Section 2.5(c).

"Transfer Tax" has the meaning set forth in Section 6.6(a).

"Transferred Contracts" has the meaning set forth in Section 2.7(b) and shall include, for the avoidance of doubt, the Designated Contracts assumed and assigned to Buyer pursuant to Section 2.7(b), Section 2.7(c) or Section 2.7(d).

"Transferred Employee" has the meaning set forth in Section 6.4(a).

"Variance" has the meaning set forth in Section 5.11(c)(ii).

"Waiver Deadline" has the meaning set forth in Section 8.1(n).

"WARN Act" means, collectively, the Worker Adjustment and Retraining Notification Act of 1989 and any similar state or local Law.

"WARN List" has the meaning set forth in Section 3.8(e).

"Wind Down Amount" means $33,000,000.

"Wind Down Budget" means the budget annexed hereto as Exhibit H.

Section 1.2 Interpretations. Unless otherwise indicated herein to the contrary:

(a) When a reference is made in this Agreement to an Article, Section, Exhibit, Schedule, clause or subclause, such reference shall be to an Article, Section, Exhibit, Schedule, clause or subclause of this Agreement.

(b) The words "include," "includes" or "including" and other words or phrases of similar import, when used in this Agreement, shall be deemed to be followed by the words "without limitation."

(c) The words "hereof," "herein" and "hereunder" and words of similar import, when used in this Agreement, refer to this Agreement as a whole and not to any particular provision of this Agreement.

(d) The word "if" and other words of similar import shall be deemed, in each case, to be followed by the phrase "and only if."

(e) The use of "or" herein is not intended to be exclusive.

(f) The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of names and pronouns shall include the plural and vice versa.

(g) All terms defined in this Agreement have their defined meanings when used in any certificate or other document made or delivered pursuant hereto, unless otherwise defined therein.

(h) References herein to a Person are also to its successors and permitted assigns. Any reference herein to a Governmental Authority shall be deemed to include reference to any successor thereto.

(i) Any reference herein to "Dollars" or "$" shall mean United States dollars.

(j) Buyer acknowledges and agrees that the specification of any dollar amount in the representations, warranties, or covenants contained in this Agreement is not intended to imply that such amounts or higher or lower amounts are or are not material, and Buyer shall not use the fact of the setting of such amounts in any dispute or controversy between the Parties as to whether any obligation, item, or matter is or is not material.

(k) References in this Agreement to materials or information "furnished to Buyer" and other phrases of similar import include all materials or information made available to Buyer or its Representatives in the data room prepared by Sellers or provided to Buyer or its Representatives in response to requests for materials or information.

(l) If any period expires on a day which is not a Business Day or any event or condition is required by the terms of this Agreement to occur or be fulfilled on a day which is not a Business Day, such period shall expire or such event or condition shall occur or be fulfilled, as the case may be, on the next succeeding Business 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 shall be excluded. If the last day of such period is a non-Business Day, the period in question shall end on the next succeeding Business Day.

(m) The words "to the extent" shall mean "the degree by which" and not "if."

ARTICLE II
PURCHASE AND SALE

Section 2.1 Purchase and Sale of Assets. On the terms and subject to the conditions set forth in this Agreement, effective as of the Closing, (i) Buyer will purchase from Sellers, and Sellers will sell, transfer, assign, convey and deliver to Buyer, at the Closing all of Sellers' right, title and interest in, to and under the Acquired Assets, and (ii) all Released Actions shall be deemed released, waived, and extinguished and shall not be pursued, prosecuted, or asserted in any way by Buyer.

Section 2.2 Assumed Liabilities. On the terms and subject to the conditions set forth in this Agreement, effective as of the Closing, Buyer will assume and become responsible for the Assumed Liabilities. Buyer agrees to pay, perform, honor, and discharge, or cause to be paid, performed, honored and discharged, all Assumed Liabilities in a timely manner in accordance with the terms thereof.

Section 2.3 Consideration; Deposit; Pre-Closing Statement.

(a) The closing consideration for the Acquired Assets shall be (i) an aggregate cash amount equal to the sum of (A) $140,100,000, *plus* (B) the Specified Trade Receivables Adjustment (such sum, collectively, the "Closing Cash Purchase Price"), (ii) an aggregate credit bid (A) by the Second Lien Lenders in the amount of $40,000,000 and (B) by the DIP Lenders of all DIP Obligations (as defined in the DIP Interim Order) in the amount of $11,500,000 (the sum of subclauses (A) and (B), the "Credit Bid") (the sum of subclauses (i) and (ii), the "Purchase Price"), and (iii) Buyer's assumption of the Assumed Liabilities.

(b) Substantially concurrent with the execution hereof, Buyer has made a deposit with Epiq Global (the "Deposit Agent") in the amount of $14,010,000 by wire transfer of immediately available funds (the "Deposit"). The Deposit shall not be subject to any lien, attachment, trustee process, or any other judicial process of any creditor of any of the Sellers or the Buyer and shall be released (together with all accrued investment income thereon, if any) (and Buyer and Sellers shall deliver any written instructions to the Deposit Agent to effect the distribution of the Deposit) solely as follows:

(i) if the Closing occurs, the Deposit and all accrued investment income thereon, if any, shall be delivered to the Sellers and applied toward the Purchase Price payable by Buyer to Sellers under Section 2.5(a) at the Closing;

(ii) if this Agreement is terminated by Sellers pursuant to Section 8.1(d) or Section 8.1(l), the Deposit, together with all accrued investment income thereon, if any, shall be delivered to Sellers within three (3) Business Days of such termination;

(iii) if this Agreement is terminated pursuant to Section 8.1(n), the Deposit, together with all accrued investment income thereon, if any, shall be retained by the Deposit Agent and delivered to Sellers or IP Buyer (as applicable) solely in accordance with the terms of the IP Purchase Agreement; or

(iv) if this Agreement is terminated for any reason other than pursuant to Section 8.1(n) or by Sellers pursuant to Section 8.1(d) or Section 8.1(l), the Deposit, together with all accrued investment income thereon, if any, shall be delivered to Buyer within three (3) Business Days of such termination.

(c) At least one (1) Business Day prior to the expected Closing Date, Sellers shall prepare and deliver to Buyer a statement (the "Pre-Closing Statement") setting forth, together with reasonable supporting detail, (x) the Specified Trade Receivables Adjustment, (y) the Pre-Closing Estimated TCIV and (z) Sellers' good faith estimates,

solely with respect to base rent components, of (i) the Seller Proration Amount, if any, and (ii) the Buyer Proration Amount, if any. The Sellers shall make their relevant financial records and personnel available to Buyer and its accountants and other representatives prior to the Closing at reasonable times for purposes of review of the Pre-Closing Statement. The Sellers shall consider in good faith Buyer's comments, if any, to the Pre-Closing Statement or any of the components thereof or calculations therein and Buyer and the Sellers shall negotiate in good faith to resolve any such disagreements; provided, that in no event shall the Closing or the Closing Date be delayed, extended or postponed pursuant to this sentence or the immediately preceding sentence. If Buyer and the Sellers are unable to resolve any such disagreements prior to the Closing, the Sellers' proposed Pre-Closing Statement and the components thereof and calculations contained therein, with such changes as have been agreed upon by Buyer and the Sellers, shall control for the purposes of the payments to be made at Closing and shall not limit or otherwise affect Buyer's remedies under this Agreement or otherwise constitute an acknowledgement by Buyer of the accuracy of the Purchase Price.

(d) The Closing Cash Purchase Price shall be used by Sellers *first* to (i) pay the amount outstanding under the Prepetition Senior Credit Facility as of the Closing Date (including the amount of all accruals of interest, fees and expenses arising on account of the Prepetition Senior Credit Facility through the Closing Date), and *second* to (ii) fund the Wind Down Amount to be used by Sellers in accordance with the Wind Down Budget.

Section 2.4 Closing. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place by telephone conference and electronic exchange of documents (or, if the Parties agree in writing to hold a physical closing, at the offices of Young Conaway Stargatt & Taylor, LLP or such other location as shall be mutually agreed upon by Sellers and Buyer) commencing at 8:00 AM local time on a date (the "Closing Date") that is the first (1st) Business Day following the date upon which all of the conditions to the obligations of Sellers and Buyer to consummate the transactions contemplated hereby set forth in Article VII (other than conditions that by their nature are to be satisfied at the Closing itself, but subject to the satisfaction or waiver of those conditions) have been satisfied or waived or on such later date as shall be mutually agreed upon by Sellers and Buyer prior thereto. The Closing shall be effective as of 12:01 a.m. New York Time on the Closing Date for all purposes of this Agreement (including for Tax and accounting purposes), but after giving effect to any actions taken by Sellers on the Closing Date prior to the Closing.

Section 2.5 Closing Payments and Deliveries.

(a) At the Closing, Buyer shall pay to Sellers by wire transfer of immediately available funds an amount equal to the Closing Cash Purchase Price, less the Deposit and all accrued investment income thereon, and less an amount equal to the sum of (i) $7,000,000, *plus* (ii) the amount, if any, by which $68,000,000 is greater than Pre-Closing Estimated TCIV (such sum, the "Holdback").

(b) At the Closing Buyer shall (i) instruct the Deposit Agent to release the Deposit and all accrued investment income thereon to Sellers, and (ii) deliver the Holdback

to the Escrow Agent by wire transfer of immediately available funds to be deposited into a segregated account with the Escrow Agent (such account, the "Holdback Account");

(c) At the Closing, Sellers will deliver to Buyer: (i) a duly executed Bill of Sale and Assignment and Assumption Agreement substantially in the form of Exhibit A, (ii) a duly executed Copyright Assignment Agreement and Copyright Power of Attorney, substantially in the form of Exhibit B (the "Copyright Assignment Agreement"); (iii) a duly executed Trademark Assignment Agreement and Trademark Power of Attorney, substantially in the form of Exhibit C (the "Trademark Assignment Agreement"); (iv) a duly executed Domain Name Assignment Agreement, substantially in the form of Exhibit D (the "Domain Name Assignment Agreement"); (v) a duly executed Patent Assignment Agreement and Patent Power of Attorney, substantially in the form of Exhibit E (the "Patent Assignment Agreement"); (vi) a duly executed certificate from an officer of each Seller to the effect that each of the conditions specified in Section 7.1(a), Section 7.1(b), and Section 7.1(c) is satisfied; (vii) the Holdback Escrow Agreement duly executed by Sellers and the Escrow Agent; (viii) a non-foreign affidavit from each Seller that is organized in or under the Laws of the United States or any state thereof, dated as of the Closing Date, sworn under penalty of perjury and in form and substance required under Treasury Regulations issued pursuant to section 1445 of the IRC; (ix) the Benefits TSA duly executed by Sellers; (x) evidence in form and substance reasonably satisfactory to Buyer that the Tail Policies have been irrevocably bound and paid for in full in accordance with Section 5.10; and (xi) the Inventory Report.

(d) At the Closing, Buyer will deliver to Sellers: (i) the Bill of Sale and Assignment and Assumption Agreement duly executed by Buyer and its relevant designees thereunder; and (ii) the Benefits TSA duly executed by Buyer.

Section 2.6 Post-Closing Purchase Price Adjustment.

(a) Determination of Cash Purchase Price After Closing. No later than thirty (30) calendar days after the Closing Date, Buyer shall deliver a statement to Sellers (the "Closing Statement") setting forth Buyer's calculations, together with reasonable supporting detail, of (i) the Store Cash Amount on the Closing Date, (ii) the Credit Card Receivables on the Closing Date, (iii) the Seller Proration Amount, if any, (iv) the Buyer Proration Amount, if any, and (v) the Total Closing Inventory Value on the Closing Date and the corresponding TCIV Adjustment Amount, in each case, calculated in accordance with the terms and definitions set forth in this Agreement, and after giving effect to any actions taken by Sellers on the Closing Date prior to the Closing. If the Total Closing Inventory Value set forth on the Closing Statement is greater than $65,000,000, Buyer and Lucky shall (within three (3) Business Days of delivery of the Closing Statement) deliver joint written instructions to the Escrow Agent instructing the Escrow Agent to promptly release to Sellers an amount out of the Holdback from the Holdback Account such that the remaining balance of the Holdback Account following such release is equal to $7,000,000.

(b) Examination and Review.

(i) Examination. After receipt of the Closing Statement, Sellers shall have fourteen (14) calendar days (the "Review Period") to review the Closing Statement. During the Review Period, Sellers and their accountants shall have reasonable access (subject to execution of customary access agreements) to the books and records of Buyer, the personnel of, and work papers prepared by, Buyer or Buyer's accountants to the extent that they relate to the Closing Statement and to such historical financial information (to the extent in Buyer's possession) relating to the Closing Statement as Sellers may reasonably request for the purpose of reviewing the Closing Statement and to prepare a Dispute Notice (as defined below).

(ii) Objection. If, on or prior to the last day of the Review Period, the Sellers dispute any item in the Closing Statement as delivered by Buyer, Sellers may object to the Closing Statement by delivering to Buyer a written statement setting forth Sellers' objections in reasonable detail, indicating each disputed item or amount and what Sellers believe to be the correct value of the disputed item or amount and the reasons for Sellers' disagreement therewith (the "Dispute Notice"). If Sellers fail to deliver the Dispute Notice before the expiration of the Review Period, the Closing Statement as delivered by Buyer shall become final and binding on the Parties.

(iii) Resolution of Disputes. If the Parties cannot agree on an item(s) set out in a Dispute Notice within fourteen (14) calendar days after Buyer's receipt of the Dispute Notice, the Parties shall refer the disputed item(s) to a nationally recognized independent accounting firm mutually agreed between Sellers and Buyer other than Sellers' accountants or Buyer's accountants ("Independent Accountant") who, acting as an expert and not an arbitrator, shall resolve the specific items under dispute by the Parties in accordance with the terms and conditions of this Agreement. The Independent Accountant shall only decide the specific items under dispute by the Parties (as set forth in the Dispute Notice) and its decision for each disputed amount must be within the range of values assigned to each such item in the Closing Statement and the Dispute Notice, respectively. The Independent Accountant shall decide the procedural rules in connection with its hearing of the Parties' positions on the disputed item and shall ensure that a decision can be reached as quickly as possible. Each Party shall give the Independent Accountant access to all information which in the reasonable opinion of the Independent Accountant is necessary to decide on the disputed item and shall cause that such information is provided promptly; provided, that the Independent Accountant shall not be permitted to hold a hearing or otherwise hear testimony in respect of any of the dispute items without the express written consent of each Party. There shall be no *ex parte* communication between the Independent Accountant and any of Buyer, Sellers or any of their respective Affiliates or Representatives, except for ministerial matters or other non-substantive communications or in the event a Party declines, after notice, to participate in a communication involving the Independent Accountant and such Person. None of

Buyer, Sellers or any of their respective Affiliates or Representatives shall disclose to the Independent Accountant, and the Independent Accountant shall not consider for any purpose, any settlement discussions or settlement offer made by any Party. Notwithstanding the fact that the Independent Accountant is acting as an expert and not an arbitrator, the decisions of the Independent Accountant shall be final and binding on the Parties (absent manifest error) and no Party shall seek further recourse through courts or other tribunals other than to enforce the decision of the Independent Accountant. The fees, costs and expenses of the Independent Accountant incurred pursuant to this interim shall be borne pro rata as between Sellers on the one hand and Buyer on the other hand in proportion to the final allocation made by the Independent Accountant of the disputed items weighted in relation to the claims made by Sellers on the one hand and Buyers on the other hand, such that the prevailing Party pays the lesser proportion of such fees, costs and expenses. For example, if Buyer claims that the appropriate adjustments are, in the aggregate, $1,000 greater than the amount claimed by Sellers and if the Independent Accountant ultimately resolves the dispute by awarding to Buyer an aggregate of $300 of the $1,000 contested, then the fees, costs and expenses of the Independent Accountant will be allocated thirty percent (30%) (i.e., 300 ÷ 1,000) to Sellers and seventy percent (70%) (i.e., 700 ÷ 1,000) to Buyer.

(c) Purchase Price Adjustment After Closing.

(i) If the computation of (w) the Store Cash Amount on the Closing Date (as finally determined in accordance with this Section 2.6) *minus* the Estimated Store Cash Amount (which calculation may be a negative number), *plus* (x) the Credit Card Receivables on the Closing Date (as finally determined in accordance with this Section 2.6) *minus* the Estimated Credit Card Receivables (which calculation may be a negative number), *plus* (y) the Seller Proration Amount, if any (as finally determined pursuant to this Section 2.6), *minus* (z) the Buyer Proration Amount, if any (as finally determined in accordance with this Section 2.6) (the computation of the preceding clauses (w)-(z) constituting the "Adjustment Amount") is a positive number, then Buyer shall promptly (but in any event within three (3) Business Days) pay to Sellers an amount equal to the Adjustment Amount by wire transfer of immediately available funds.

(ii) If the Adjustment Amount is a negative number, then (x) Sellers shall promptly (but in any event within three (3) Business Days) pay to Buyer an amount equal to the absolute value of the Adjustment Amount by wire transfer of immediately available funds or (y) at Buyer's election, Buyer and Lucky shall deliver joint written instructions to the Escrow Agent instructing the Escrow Agent to promptly release funds from the amount of the Holdback from the Holdback Account to the Buyer to satisfy the payment obligation of Sellers to Buyer under this Section 2.6(c)(ii).

(iii) If the Total Closing Inventory Value on the Closing Date as finally determined pursuant to this Section 2.6 is greater than the Estimated TCIV Amount, then (x) Buyer shall promptly (but in any event within three (3) Business Days) pay

to Sellers an amount equal to the TCIV Adjustment Amount (which in no event shall exceed $7,000,000) by wire transfer of immediately available funds, and (y) Buyer and Lucky shall promptly (but in any event within three (3) Business Days) deliver joint written instructions to the Escrow Agent instructing the Escrow Agent to promptly release to Sellers the entire amount of the Holdback from the Holdback Account.

(iv) If the Total Closing Inventory Value on the Closing Date as finally determined pursuant to this Section 2.6 is less than $72,000,000, then Buyer and Lucky shall promptly (but in any event within three (3) Business Days) deliver joint written instructions to the Escrow Agent to promptly release to Buyer from the Holdback Account an amount equal to the TCIV Adjustment Amount (and to Sellers the amount remaining in the Holdback Account, if any, following such release to Buyer); provided, that Buyer's sole source of recovery in respect of the TCIV Adjustment Amount shall be limited to (and in no event in excess of) the amount available in the Holdback Account, and Sellers shall not be responsible for (and Buyer shall not be permitted to recover or offset any other amounts owing to Sellers hereunder, if any, against) any shortfall of the amount available in the Holdback Account; provided, further, that in no event shall any amount of the Holdback Account be released to Sellers, and neither Buyer nor Lucky shall instruct the Escrow Agent to, or request that the Escrow Agent, release to Sellers any amount out of the Holdback Account, in each case under any provision of this Agreement (including Section 2.6(c)(iii) and this Section 2.6(c)(iv)) or the Holdback Escrow Agreement, unless and until the amounts due to Buyer pursuant to Section 2.6(c)(ii) (if any) have been paid in full.

(d) Adjustments for Tax Purposes. Any payments made pursuant to this Section 2.6 shall be treated as an adjustment to the purchase price by the Parties for Tax purposes, unless otherwise required by Law.

Section 2.7 Assumption/Rejection of Certain Contracts and Leases and Designation Rights; Non-Assignment.

(a) Simultaneously with the execution of this Agreement, Sellers shall deliver to Buyer Schedule 2.7(a), which sets forth, to the Knowledge of Sellers, a true and complete list, as of such date of delivery, of all executory Contracts and unexpired Leases to which any Seller is a party, including the Sellers' proposed Cure Costs associated with each such Contract and unexpired Lease set forth therein as of such date of delivery (the "Proposed Cure Costs"). Upon written request by Buyer, Sellers shall provide to Buyer as promptly as practicable an updated Schedule 2.7(a), setting forth, to the Knowledge of Sellers, the Proposed Cure Costs as of the date of such request with respect to any Contracts or Leases specifically identified by Buyer in such written request.

(b) Following the delivery of Schedule 2.7(a) pursuant to Section 2.7(a) above, until the Sale Hearing, Buyer may, in its sole discretion, (i) designate a Contract listed on Schedule 2.7(a) for assumption and assignment to Buyer or its designee, effective on and as of the Closing (such Contracts, together with any other Contracts assumed by any Seller

and assigned to Buyer or its designee pursuant to this Agreement, the "Transferred Contracts"), (ii) designate a Lease listed on Schedule 2.7(a) for assumption and assignment to Buyer or its designee, effective on and as of the Closing (such Leases, together with any other Leases assumed by any Seller and assigned to Buyer or its designee pursuant to this Agreement, the "Assumed Leases"), or (iii) designate any Contract or Lease listed on Schedule 2.7(a) for rejection effective on or as soon as reasonably practicable after the Closing (and Buyer shall be responsible for any and all payment Liabilities of Buyer, Sellers or any of their respective Affiliates under any such Contract or Lease arising in connection with and through the date of rejection of such Contract or Lease, in each case that are incurred and come due and payable during the period from and after Closing through the effective date of such Contract's or Lease's rejection by any Seller in accordance with this Agreement). For the avoidance of doubt, Buyer shall pay all such Liabilities on a current basis as and when they come due and payable. The Transferred Contracts and Assumed Leases as of the date hereof that are to be assumed and assigned effective on and as of the Closing are set forth on Schedule 2.7(b) hereto, which Schedule shall be (and shall be deemed) modified or supplemented to reflect additions or removals, as applicable, of Leases and Contracts that are (i) designated for assumption and assignment as set forth in this Section 2.7(b) (it being agreed that Contracts or Leases may be designated for assumption and assignment after the date hereof but prior to the Sale Hearing only with the written consent of the counterparty to such Contract or Lease) and (ii) designated for rejection.

(c) During the Designation Rights Period, Buyer may, in its sole discretion, designate any Contract (a "Designated Contract") or Lease (a "Designated Lease") listed on Schedule 2.7(a) that has not previously been designated for assumption and assignment or rejection pursuant to Section 2.7(b) for either (x) assumption and assignment to Buyer or its designee, or (y) rejection, in each case by providing written notice to Sellers (the "Designation Notice"); provided, however, that Buyer shall determine whether any Designated Contract or Designated Lease will be assumed and assigned or rejected and shall provide Sellers with a Designation Notice in respect thereof at least ten (10) days prior to expiration of the applicable Designation Rights Period. Within three (3) Business Days of Sellers' receipt of a Designation Notice, Sellers shall provide written notice to the counterparty to such Designated Contract or Designated Lease (such counterparty, the "Designation Counterparty") of Sellers' intent to assume and assign or reject such Designated Contract or Designated Lease, which notice shall, with respect to any Designated Contract or Designated Lease to be assumed and assigned, include (i) the Proposed Cure Costs associated with such Designated Contract or Designated Lease as designated by Buyer, (ii) information supplied by Buyer or its designee intended to provide such Designation Counterparty with adequate assurance of future performance, and (iii) the deadline to object to the assumption and assignment of such Designated Contract or Designated Lease (the "Objection Deadline"), which deadline shall be no less than seven (7) calendar days from service of such notice. The assumption and assignment of a Designated Contract or Designated Lease shall be effective without further order of the Bankruptcy Court upon expiration of the applicable Objection Deadline unless (A) the Designation Counterparty timely serves an objection upon Buyer and Sellers that relates to adequate assurance of future performance or a cure issue that could not have been raised in an objection to any Cure Notice prior to the Sale Hearing and pertains to matters arising

after the Closing, or (B) the Designation Counterparty otherwise consents to the assumption and assignment on terms mutually agreed by Buyer and the Designation Counterparty. If Buyer, Sellers and Designation Counterparty are unable to resolve such objection timely served pursuant to clause (A) above, Sellers shall schedule the matter for hearing on no less than five (5) Business Days' notice. The rejection of any Designated Contract or Designated Lease shall be effective without further order of the Bankruptcy Court. Any Contract or Lease that is not designated for assumption and assignment or rejection before the expiration of the Designation Rights Period shall be deemed designated for rejection effective as of the date on which the Designation Rights Period expires. For the avoidance of doubt, (i) all Contracts and Leases not set forth on Schedule 2.7(b) immediately prior to the Closing shall be a Designated Contract or Designated Lease, as applicable, and (ii) all Designated Contracts assumed and assigned to Buyer or its designee pursuant to this Section 2.7(c) shall be Transferred Contracts, and all Designated Leases assumed and assigned to Buyer pursuant to this Section 2.7(c) shall be Assumed Leases.

(d) Notwithstanding Section 2.7(c), during the Designation Rights Period, Buyer may deliver a written notice to Sellers of Buyer's entry into an agreement with a Designation Counterparty to any Designated Contract or Designated Lease pursuant to which such Designation Counterparty consents to the assumption and assignment to Buyer or its designee of such Designated Contract or Designated Lease on the terms set forth in such agreement. The assumption and assignment of any Designated Contract or Designated Lease pursuant to this Section 2.7(d) shall be effective on the date set forth in the written notice provided to Sellers without further order of the Bankruptcy Court. For the avoidance of doubt, all Designated Contracts assumed and assigned to Buyer pursuant to this Section 2.7(d) shall be Transferred Contracts, and all Designated Leases assumed and assigned to Buyer pursuant to this Section 2.7(d) shall be Assumed Leases.

(e) Buyer shall be responsible for any and all payment Liabilities of Buyer, Sellers or any of their respective Affiliates (i) under the Designated Contracts and Designated Leases or (ii) as a result of, arising out of or in connection with the operation of any Store or Distribution Center governed by any such Designated Contracts or Designated Leases, in each case that are incurred and come due and payable during the period from and after Closing through the effective date of such Designated Contract's or Designated Lease's assumption and assignment to Buyer or rejection by any Seller in accordance with this Agreement. For the avoidance of doubt, Buyer shall pay all such Liabilities on a current basis as and when they come due and payable.

(f) Sellers shall take all actions reasonably required to assume and assign the Transferred Contracts and Assumed Leases to Buyer or its designee (and for Buyer or its designee to assume all Assumed Liabilities in connection therewith), including (x) taking all actions reasonably necessary, at Buyer's expense following the Closing Date, to facilitate any negotiations with the counterparties to such Contracts or Leases and (y) if necessary, taking all actions reasonably necessary to obtain an order of the Bankruptcy Court containing a finding that the proposed assumption and assignment of the Contracts or Leases to Buyer or its designee satisfies all applicable requirements of section 365 of the Bankruptcy Code.

(g) Buyer shall take all actions reasonably required for Sellers to assume and assign the Transferred Contracts and Assumed Leases to Buyer or its designee (and for Buyer or its designee to assume all Assumed Liabilities in connection therewith) (including the payment of Buyer Cure Costs, if so required), including taking all actions reasonably necessary to facilitate any negotiations with the counterparties to such Contracts or Leases and, if necessary, to obtain an order of the Bankruptcy Court containing a finding that the proposed assumption and assignment of the Contracts or Leases to Buyer satisfies all applicable requirements of section 365 of the Bankruptcy Code.

(h) Buyer shall as promptly as reasonably practicable, but in any event upon assumption and assignment of any Transferred Contract or Assumed Lease hereunder, pay all Buyer Cure Costs (if any) in connection with any such assumption and assignment.

(i) Prior to and during the Designation Rights Period, Sellers shall not reject, terminate, amend, supplement, modify, waive any rights under, or create any adverse interest with respect to any Contract or Lease, or take any affirmative action not required thereby, without the prior written consent of Buyer, except (i) if Buyer has provided written notice to Sellers designating such Contract or Lease for rejection pursuant to this Section 2.7 or (ii) in the case of any Contract or Lease as to which Buyer has breached its obligations with respect to the payment of Liabilities associated with such Contract or Lease to the extent required by the terms hereof.

(j) Notwithstanding the foregoing and anything herein to the contrary, and subject to Section 5.5, a Contract or Lease shall not be assigned to, or assumed by, Buyer or its designee hereunder to the extent that such Contract or Lease (i) is terminated by a Seller (subject to Section 5.2(b)(ix)) or the counterparty thereto, or terminates or expires by and in accordance with its terms, on or prior to the end of the Designation Rights Period and is not continued or otherwise extended upon assumption, or (ii) requires a consent or authorization from a Governmental Authority (other than, and in addition to, that of the Bankruptcy Court) in order to permit the sale or transfer to Buyer or its designee of the applicable Seller's rights under such Contract or Lease, and such consent or authorization has not been obtained prior to the Closing or end of the Designation Rights Period. In the event that any Transferred Contract or Assumed Lease is deemed not to be assigned pursuant to clause (ii) of this Section 2.7(j), the Closing shall nonetheless occur and the Designation Rights Period shall nonetheless end subject to the terms and conditions set forth herein and, thereafter, through the earlier of such time as such consent or authorization is obtained and twelve (12) months following the Closing (or the remaining term of such Contract or Lease, the confirmation of any chapter 11 plan under the Bankruptcy Code, or the closing of the Bankruptcy Cases, if shorter), Sellers and Buyer shall (A) use commercially reasonable efforts to secure such consent or authorization as promptly as practicable after the Closing (at Buyer's expense following the Closing Date), and (B) cooperate in good faith to allow Buyer or its designee to perform the services thereunder on Sellers' behalf, in all cases, without infringing upon the legal rights of any third party, including by good faith cooperation with any lawful and commercially reasonable arrangement reasonably proposed by Buyer, including subcontracting, licensing or sublicensing to Buyer any or all of any Sellers' rights and obligations with respect to any such Contract or Lease, under which (1) Buyer shall obtain (without infringing upon the

legal rights of such third party or violating any Law) the economic rights and benefits (net of the amount of any related Tax costs imposed on Sellers or their respective Affiliates) under such Contract or Lease with respect to which the consent or authorization has not been obtained, and (2) Buyer shall assume any related burden (net of the amount of any related Tax benefit obtained by Sellers or their respective Affiliates) and obligation (including performance) with respect to such Contract or Lease. Upon satisfying all such requisite consent or authorization requirements applicable to such Contract or Lease after the Closing, such Contract or Lease shall promptly be transferred and assigned to Buyer in accordance with the terms of this Agreement.

(k) During the Designation Rights Period, Sellers shall provide unrestricted access to all properties governed by any Designated Leases to allow the Buyer and its Representatives to operate the Business during the period from and after Closing through the effective date of the applicable Designated Lease's assumption and assignment to Buyer or rejection by any Seller in accordance with this Agreement.

Section 2.8 Allocation. Buyer and Sellers agree to allocate the Purchase Price, the Assumed Liabilities, and all other relevant items among the Acquired Assets in accordance with Section 1060 of the IRC and the Treasury Regulations (the "Allocation Principles"). No later than one hundred twenty (120) days after the Closing Date, Buyer shall in good faith prepare and deliver to Sellers an allocation of the Purchase Price and the Assumed Liabilities (and all other relevant items) as of the Closing Date among the Acquired Assets determined in a manner consistent with the Allocation Principles (the "Purchase Price Allocation") for Sellers' review and approval (such approval not to be unreasonably withheld, conditioned or delayed). Any reasonable comments provided by Sellers to the Buyer under this Section 2.8 shall be considered by the Buyer in good faith. The Purchase Price Allocation shall be conclusive and binding on the parties unless Sellers notify Buyer in writing that Sellers object to one or more items reflected in the Purchase Price Allocation, and specify the reasonable basis for such objection, within ten (10) days after delivery to Sellers of the Purchase Price Allocation. In the case of such an objection, Sellers and Buyer shall negotiate in good faith to resolve any disputed items. Any resolution by Sellers and Buyer shall be conclusive and binding on the parties once set forth in writing (any such conclusive and binding Purchase Price Allocation, the "Final Purchase Price Allocation"). If Sellers and Buyer are unable to resolve all disputed items within twenty (20) days after the delivery of Sellers' written objection to Buyer, each of Buyer and Sellers may separately determine the allocation of the Purchase Price, and there shall be no Final Purchase Price Allocation. Buyer and Sellers agree (and agree to cause their respective Subsidiaries and Affiliates) to prepare, execute, and file IRS Form 8594 and all Tax Returns on a basis consistent with the Allocation Principles, and if any, the Final Purchase Price Allocation. None of the Parties will take any position inconsistent with the Final Purchase Price Allocation, if any, on any Tax Return or in any audit or Tax proceeding, unless otherwise required by a final "determination" within the meaning of Section 1313 of the IRC (or comparable provision of state, local or foreign Tax Law); provided, however, and subject to Section 6.6(d), nothing contained herein shall prevent Buyer or Sellers from settling any proposed deficiency or adjustment by any Governmental Authority based upon or arising out of the Final Purchase Price Allocation, and neither Buyer nor Sellers shall be required to litigate before any court any proposed deficiency or adjustment by any Governmental Authority challenging such Final Purchase Price Allocation. Notwithstanding the foregoing, the Parties recognize that certain allocations may be necessary prior to the above time schedule, such as in

the case of any Transfer Tax filings, and agree to reasonably cooperate in determining the appropriate allocation in a timely manner. Notwithstanding any other provision of this Agreement, the terms and provisions of this Section 2.8 shall survive the Closing without limitation.

Section 2.9 Proration.

(a) All monthly payments for the month in which the Closing Date occurs (including base rent, common area maintenance fees, and utility charges) under the Assumed Leases (the "Prorated Charges") shall be apportioned and prorated between Sellers on the one hand and Buyer on the other hand as of the Closing Date with (i) Buyer bearing the expense of Buyer's proportionate share of such Prorated Charges that shall be equal to the product obtained by multiplying (A) a fraction, the numerator being the amount of the Prorated Charges under the applicable Lease and the denominator being the total number of days in the lease month in which the Closing Date occurs, times (B) the number of days in such lease month following the day that immediately precedes the Closing Date and paying such amount to Sellers to the extent payment for such Prorated Charges has been made by Sellers prior to the Closing Date and not already taken into account in the Adjustment Amount, and (ii) Sellers bearing the remaining portion of such Prorated Charges (and paying the amounts thereof to Buyer to the extent payment for such Prorated Charges has not been previously made by Sellers and not already taken into account in the Adjustment Amount). The net amount of all Prorated Charges owed to Buyer and Sellers under this shall be referred to as the "Buyer Proration Amount" if owed to Buyer or the "Seller Proration Amount" if owed to Sellers. Except as set forth in Section 2.6, in this Section 2.9 and in Section 6.5, no amounts paid or payable under or in respect of any Acquired Asset or group of Acquired Assets shall be apportioned and prorated between Sellers and Buyer.

(b) As to all non-monthly real estate related payments under the Assumed Leases, the same shall be apportioned between Sellers and Buyer as of 12:01 a.m. on the Closing Date. If any amounts are payable in installments, all installments due through the Closing Date together with the accrued but unpaid portion of any other installments not yet due as of the Closing Date shall be prorated based on the periods of time covered by such installments occurring before and after the Closing Date (for the avoidance of doubt, with Buyer being responsible for all amounts for the period beginning as of 12:01 a.m. on the Closing Date).

(c) As to real estate Taxes and assessments under the Assumed Leases, if the Closing Date shall occur before a new real estate or personal property Tax rate is fixed for the applicable property for the period in which the Closing Date occurs, the apportionment of such Taxes for such property at the Closing Date shall be upon the basis of the old Tax rate for the preceding fiscal year applied to the latest assessed valuation; provided, however, that there will be no re-apportionment or re-computation of such Taxes for any property following the Closing Date as a result of any error, omission, recalculation or other change in any applicable real estate or personal property Tax rate or otherwise.

Section 2.10 Removal of Excluded Assets. As promptly as practicable following the Closing Date (and in any event within ten (10) Business Days), Sellers shall remove at their

expense all of the tangible Excluded Assets that are located at the Stores and, if requested by Sellers, Buyer shall reasonably cooperate with Sellers so that Sellers can arrange transportation of such Excluded Assets to a location designated by Sellers at Sellers' expense.

Section 2.11 Withholding. Buyer and any other applicable withholding agent shall be entitled to deduct and withhold from any amounts otherwise payable pursuant to this Agreement any amount that Buyer or such other applicable withholding agent, as the case may be, is required to deduct and withhold under any provision of Law; provided, however, that the Buyer shall use reasonable efforts to provide the applicable payee with (a) written notice upon the Buyer becoming aware that any deduction or withholding is required and (b) the opportunity to reduce or eliminate any such withholding obligation. All such deducted or withheld amounts shall be treated as delivered to the Sellers hereunder.

ARTICLE III
SELLERS' REPRESENTATIONS AND WARRANTIES

Except as set forth in the disclosure schedule accompanying this Agreement (the "Disclosure Schedule"), Sellers represent and warrant to Buyer, as of the date hereof and as of the Closing Date, as follows:

Section 3.1 Organization of Sellers; Good Standing. Each Seller is duly organized, validly existing and in good standing under the Laws of the state of its formation and has all requisite organizational power and authority to own, lease and operate its assets and to carry on its business as currently and historically conducted.

Section 3.2 Authorization of Transaction. Subject to the Bankruptcy Court's entry of the Sale Order, each Seller has full power and authority (including full organizational power and authority) to execute, deliver and perform this Agreement, the Related Agreements, and all other agreements contemplated hereby to which it is or will be a party and to perform its obligations hereunder and thereunder. The execution, delivery, and performance of this Agreement, the Related Agreements, and all other agreements contemplated hereby to which each Seller is or will be a party have been duly authorized by such Sellers. Upon due execution hereof by each Seller, this Agreement, the Related Agreements, and all other agreements contemplated hereby (assuming due authorization and delivery by Buyer) shall constitute, subject to the Bankruptcy Court's entry of the Sale Order, the valid and legally binding obligation of such Sellers, enforceable against such Sellers in accordance with its terms and conditions, subject to applicable bankruptcy, insolvency, moratorium, or other similar Laws relating to creditors' rights and general principles of equity.

Section 3.3 Noncontravention; Government Filings. Neither the execution, delivery, or performance of this Agreement, the Related Agreements, and all other agreements contemplated hereby, nor the consummation of the transactions contemplated hereby and thereby (including the assignments and assumptions referred to in Article II), will (a) conflict with or result in a breach of the organizational documents of any Seller, (b) subject to the entry of the Sale Order, violate any Law or Decree to which any Seller is subject, or (c) subject to the entry of the Sale Order, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify or cancel, or require any notice under any material

Contract or Lease to which any Seller is a party or to which any of the Acquired Assets is subject, except, in the case of clause (c), for such conflicts, violations, breaches, defaults, accelerations, rights or failures to give notice as would not, individually or in the aggregate, reasonably be expected to be material to the Business, taken as a whole, or (d) result in the creation of, or require the creation of, any Lien (other than Permitted Liens) upon any Acquired Assets or any property of Sellers. Other than as required by, or pursuant to, the HSR Act, the Bankruptcy Code, the Bidding Procedures Order, or the Sale Order, no Seller is required to give any notice to, make any filing with, or obtain any authorization, consent or approval of any Governmental Authority in order for the Parties to consummate the transactions contemplated by this Agreement or any Related Agreement, or any other agreements contemplated hereby, except where the failure to give notice, file or obtain such authorization, consent or approval would not, individually or in the aggregate, reasonably be expected to result in a material Liability to such Seller or prevent or materially impair or delay the Sellers' ability to consummate the transactions contemplated hereby or perform their respective obligations hereunder on a timely basis.

Section 3.4 Title to Assets; Sufficiency of Assets.

(a) Sellers have good and valid title to, or, in the case of leased or subleased Acquired Assets, valid and subsisting leasehold interests in, all Acquired Assets, free and clear of all Liens (other than Permitted Liens). Pursuant to the Sale Order, Sellers will convey such title to or rights to use, all of the Acquired Assets, free and clear of all Liens (other than Permitted Post-Closing Liens).

(b) All tangible assets of the Business are (i) in good working order and condition in all material respects, ordinary wear and tear excepted, (ii) have been reasonably maintained, (iii) are suitable in all material respects for the uses for which they are being utilized in the Business as conducted by the Sellers as of the date hereof, (iv) do not require more than regularly scheduled maintenance in the Ordinary Course of Business consistent with past practice and the established maintenance policies of Sellers, as applicable, in order to keep them in good operating condition, and (v) comply in all material respects with all requirements under any Laws and any licenses which govern the use and operation thereof. The Acquired Assets constitute all the properties, assets and rights reasonably necessary, and are sufficient in all material respects, for the conduct of the Business as currently conducted, taking into account the fact that the Excluded Assets shall not be acquired by Buyer pursuant to the terms of this Agreement.

Section 3.5 Transferred Contracts and Assumed Leases.

(a) Schedule 2.7(a) sets forth a complete list, as of the date hereof, of all (i) executory Contracts, and (ii) unexpired Leases to which any Seller is a party.

(b) Other than as a result of (i) rejection by the Sellers in the Bankruptcy Cases, (ii) the automatic stay under the Bankruptcy Code or (iii) any consequence of any of the foregoing, (A) except as set forth in Section 3.5(b) of the Disclosure Schedule, there does not exist under any Contract or Lease (including, for the avoidance of doubt, any Intellectual Property License) required to be set forth on Schedule 2.7(a) any material breach, material violation or material default on the part of a Seller or, to the Knowledge

of Sellers, any other party to such Contract or Lease, (B) there does not exist any event, including the consummation of the transactions contemplated in this Agreement or any Related Agreement, that would (with or without notice, passage of time, or both) constitute a breach, violation or default thereunder on the part of a Seller or result in the acceleration of any obligation under such Contract, which breach, violation, acceleration or default has, or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (C) the Sellers have not received any written notice of any default, notice of termination or intent to terminate, or notice regarding payment delinquency, and (D) there has not been an event that with notice or lapse of time or both would constitute a default by Sellers under any Contract or Lease required to be set forth on Schedule 2.7(a), except for defaults that would not be reasonably likely to be material to the Business.

Section 3.6 Real Property.

(a) No Seller owns any real property in fee or has any option, right of first offer or first refusal or other contractual right or obligation to purchase or acquire any real property or interest therein.

(b) Section 3.6 of the Disclosure Schedule sets forth the location of each Store, Distribution Center, and office, each of which is leased to Sellers by a third party, and a list of all Leases, to the extent that they are in the Sellers' possession or control (together, the "Leased Real Property"). The Sellers have made available to Buyer, prior to the date of this Agreement, a true, correct and complete copy of all Leases. With respect to each Lease, (a) assuming due authorization and delivery by the other party thereto, such Lease constitutes the valid and legally binding obligation of the Sellers party thereto and, to Sellers' Knowledge, the counterparty thereto, enforceable against such Sellers and, to Sellers' Knowledge, the counterparty thereto in accordance with its terms and conditions, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity, and (b) except as set forth in Section 3.5(b) of the Disclosure Schedule, neither such Sellers nor, to Sellers' Knowledge, the counterparty thereto is in breach or default under such Lease, and to Sellers' Knowledge no event has occurred or condition exists that, with notice or lapse of time, or both, would constitute a default by any Seller or, to the Sellers' Knowledge, by any other party thereto, except (i) for those defaults that will be cured in accordance with the Sale Order or waived in accordance with section 365 of the Bankruptcy Code (or that need not be cured under the Bankruptcy Code to permit the assumption and assignment of the Leases) or (ii) to the extent such breach or default would not reasonably be expected to have a Material Adverse Effect. To Sellers' Knowledge, no Person that is not a Seller has any right to possess, use or occupy any of the Lease Real Property. The leasehold interests of Sellers in the Assumed Leases are subject to no Liens other than Permitted Liens. To Sellers' Knowledge, no Person that is not a Seller has any right to possess, use or occupy the Lease premises.

Section 3.7 Litigation; Decrees. Except as set forth in Section 3.7 of the Disclosure Schedule, and other than the Bankruptcy Cases, there is no Litigation pending that (a) would reasonably be expected to be material to the Acquired Assets taken as a whole or (b) challenges the validity or enforceability of this Agreement or the Related Agreements or that seeks

to enjoin or prohibit consummation of the transactions contemplated hereby and thereby. Other than the Bankruptcy Case, no Seller is subject to any outstanding Decree that would (i) reasonably be expected to be material to the Business or the Acquired Assets or (ii) prevent or materially delay such Seller's ability to consummate the transactions contemplated hereby or by the Related Agreements or perform in any material respect its obligations hereunder.

Section 3.8 Labor Relations.

(a) Except as set forth in Section 3.8 of the Disclosure Schedule, no Seller is a party to or bound by any collective bargaining agreement. To the Knowledge of the Sellers, no union or other labor organization; (i) is currently attempting to organize any Covered Employees for the purpose of representation; or (ii) has demanded recognition or filed any petition seeking certification in the three (3)-year period prior to the date of this Agreement.

(b) Except as would not reasonably be expected to result in material liability, with respect to the Covered Employees, each Seller (x) is and has been in compliance with all applicable Laws regarding labor, employment and employment practices, including all Laws relating to terms and conditions of employment, wages and hours, discrimination, immigration, workplace safety and health, "mass layoffs" and "plant closings" (as those terms are defined in the WARN Act and similar state and local Laws), classification of independent contractors, and workers' compensation; (y) has no grievance, arbitration proceeding, unfair labor practice charge or complaint, pending or, to the Knowledge of the Sellers, threatened against it that arises out of or under any Seller's collective bargaining agreements or relates to any employee of the Sellers; and (z) is not currently experiencing, and has received no current threat of, any strike, slowdown, work stoppage, picketing or lockout related to any employee of Sellers.

(c) Section 3.8(c) of the Disclosure Schedule sets forth a true, correct and complete list, as of three (3) Business Days prior to the date of this Agreement, of all employees of the Sellers and identifies the job title, work location, visa and expiration date (if applicable), date of hire, exempt or non-exempt status, employment status (whether active or on leave of absence), part-time or full-time, annual base salary or regular hourly wage rate, and bonus or commission entitlement for each such employee, as well as whether such employee is on leave and the date of such leave and the expected return to work date.

(d) Except as would not reasonably be expected to result in material liability, there is no governmental investigation or audit or other similar proceeding pending or, to the Knowledge of the Sellers, threatened against the Sellers by, on behalf of or relating to any Covered Employee(s) or former employees.

(e) Within three (3) Business Days following the date hereof, Sellers shall provide Buyer with a true, correct and complete list of all employees of the Sellers who have experienced an employment loss within the meaning of WARN or any similar state, local or foreign Law within the one year prior to the date hereof, along with such employee's work location and date of hire (the "WARN List") and the Sellers shall provide

an updated WARN List to the Buyer on the Closing Date. Sellers have complied in all material respects with the WARN Act during the one year period prior to the date hereof.

Section 3.9 Brokers' Fees. Other than the fees and expenses payable to Sellers' advisors in connection with the transactions contemplated hereby set forth on Section 3.9 of the Disclosure Schedule, which shall be borne by Sellers, no Seller has entered into any Contract to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated hereby for which Buyer could become liable or be obligated to pay.

Section 3.10 Data Privacy. In connection with its collection, storage, transfer (including transfer across national borders) and/or use of any personally identifiable information from any individuals, including any customers, prospective customers, employees or other third parties (collectively "Personal Information") or any loss, theft or unauthorized access thereof, each Seller is and, during the last three (3) years, has been in compliance in all material respects with applicable Laws. Neither the execution, delivery, or performance of this Agreement, nor the consummation of any of the transactions contemplated under this Agreement will violate any Seller written privacy policy or, to the Knowledge of the Sellers, applicable Law. Each Seller has commercially reasonable physical, technical, organizational and administrative security measures in place to protect all Personal Information collected by it or on its behalf from and against unauthorized access, use or disclosure in accordance with applicable Law. To the Knowledge of Sellers, there has been no unauthorized access, use, or disclosure of Personal Information in the possession or control of each Seller or any of its contractors with regard to any Personal Information obtained from or on behalf of the Sellers. Each Seller is, and during the last three (3) years, has been in material compliance (i) with the PCI Security Standards Council's Payment Card Industry Data Security Standard (PCI-DSS), (ii) all other applicable security rules and requirements as promulgated by the PCI Security Standards Council and (iii) all Laws relating to data loss, theft, and breach of security notification obligations.

Section 3.11 Taxes.

(a) Sellers have timely filed all material Tax Returns required to be filed by Sellers with respect to the Acquired Assets or the Business with the appropriate Governmental Authorities (taking into account any extension of time to file granted or to be obtained on behalf of Sellers); and all such Tax Returns are true, complete, and correct in all material respects;

(b) All Taxes imposed on the Sellers or with respect to the Acquired Assets or the Business that are due and owing have been paid (other than any Taxes not due as of the date of the filing of the Bankruptcy Cases as to which subsequent payment was not required by reason of the Bankruptcy Cases or any such Taxes that are being contested in good faith and for which appropriate reserves have been made in accordance with GAAP);

(c) There are no material pending (or threatened in writing) audits, examinations, investigations or other proceedings relating to a material amount of Taxes imposed on the Sellers or with respect to the Acquired Assets or the Business;

(d) There are no Liens relating to Taxes (other than Permitted Liens) on any Acquired Assets;

(e) Sellers have withheld all material amounts of Taxes with respect to the Acquired Assets or the Business required to be withheld and timely paid or remitted such material amounts of Taxes to the appropriate Governmental Authority;

(f) In the last three (3) years, no claim has been made in writing by an Governmental Authority in a jurisdiction where a Seller does not currently file Tax Returns that such Seller may be subject to Tax by that jurisdiction with respect to the Acquired Assets or the Business; and

(g) Sellers are not "foreign persons" within the meaning of Section 1445(f)(3) of the IRC.

Section 3.12 Employee Benefits.

(a) Section 3.12 of the Disclosure Schedule lists all material Company Benefit Plans. A copy of each such Company Benefit Plan will be delivered to Buyer as soon as practicable and no later than five (5) days after the date hereof.

(b) Each of the Company Benefit Plans sponsored by Sellers and its Subsidiaries that is intended to qualify under section 401 of the IRC and with respect to which Buyer will accept rollovers into its 401(k) plan, (i) has received a favorable determination letter from the IRS or may rely on a favorable opinion letter issued by the IRS, and no event has occurred that would jeopardize the qualification of any such plan under the IRC and (ii) has never held "employer real property" or "employer securities" as a plan asset within the meaning of ERISA. All Company Benefit Plans have been established, maintained and operated in compliance with applicable Law, except as would not reasonably be expected to result in material liability to Buyer or any Buyer Related Party. Sellers and their respective Affiliates have complied in all material respects with all obligations with respect to any COBRA Liabilities incurred prior to the date hereof. No Company Benefit Plans are subject to laws outside the United States.

(c) Except as would not reasonably be expected to result in material liability to Buyer or any Buyer Related Party, neither the Company nor any of its ERISA Affiliates has ever maintained, sponsored, had a commitment to create or has any liability or contingent liability with respect to any arrangement that (i) is subject to Title IV of ERISA; (ii) is a "multiemployer plan" (as defined under section 3(37) of ERISA); or (iii) provides health or welfare benefits to any former employee of any Seller or any Affiliate, except as required under COBRA or any similar state Law.

(d) Except as set forth on Section 3.12(d) of the Disclosure Schedule, (i) no payment or benefit provided to an employee, director or contractor of the Company or its subsidiaries could, individually or in the aggregate, constitute an "excess parachute payment" within the meaning of section 280G of the IRC or result in the imposition of an excise tax under section 4999 or the IRC and (ii) no current or former employee, officer or director has any right to receive severance or separation pay that would result in any

material liability to Buyer or a Buyer Related Party, other than pursuant to any Transferred Contracts.

Section 3.13 Intellectual Property.

(a) Except as set forth on Section 3.13(a)(i) of the Disclosure Schedule and subject to the Intellectual Property Licenses that Sellers have granted to third parties, Sellers own all right, title and interest in and to the Transferred Intellectual Property, free and clear of all Liens (other than Permitted Liens). Except as set forth in Section 3.13(a)(ii) of the Disclosure Schedules or as otherwise contemplated by this Agreement, the Transferred Intellectual Property, the Intellectual Property Licenses and the other Acquired Assets constitute all product-related (i.e., that is used for the branding of articles of clothing or accessories products or with respect to the design, features, functionality or material of such products) Intellectual Property owned (or purported to be owned) or held for use by Sellers. Except as set forth in Section 3.13(a)(iii) of the Disclosure Schedule, all Transferred Intellectual Property is currently owned by Sellers or their Subsidiaries that are incorporated in the United States.

(b) Trademarks:

(i) Section 3.13(b)(i) of the Disclosure Schedule contains a complete and accurate list of all registered and applied for Transferred Trademarks, including for each applicable trademark or service mark, trademark registration numbers and registration dates, as applicable (the "Registered Trademarks").

(ii) Except as set forth on Section 3.13(b)(ii) of the Disclosure Schedule, all of the material Registered Trademarks are subsisting and in full force and effect. No Registered Trademark is subject to any overdue maintenance fees, or renewals that are overdue (irrespective of any grace periods).

(iii) Except as set forth on Section 3.13(b)(iii) of the Disclosure Schedule, no Registered Trademark is the subject of any opposition, invalidation or cancellation proceeding, in each case which is pending and unresolved, and no such action has been threatened in writing during the past three (3) years.

(c) Copyrights:

(i) Section 3.13(c)(i) of the Disclosure Schedule contains a complete and accurate list of all registered Transferred Copyrights, including title, registration number and registration date (the "Registered Copyrights").

(ii) All of the Registered Copyrights are in full force and effect.

(d) Patents:

(i) Section 3.13(d)(i) of the Disclosure Schedule contains a complete and accurate list of all issued Transferred Patents, including owner, patent number and issuance date (the "Registered Patents").

(ii) All of the Registered Patents are subsisting and in full force and effect. Except as set forth in Section 3.13(d)(i) of the Disclosure Schedule, none of the Registered Patents is subject to any maintenance fees or renewal actions in the ninety (90) days after the Closing Date.

(e) Except as set forth on Section 3.13(e) of the Disclosure Schedule, to the Knowledge of Sellers, during the past three (3) years, there has not been and there is not now any unauthorized use, infringement or misappropriation of any of the Transferred Intellectual Property by any third party.

(f) During the past three (3) years, Sellers have not brought any actions or lawsuits that are pending and unresolved alleging infringement, misappropriation or other violation of any of the Transferred Intellectual Property. Except as set forth on Section 3.13(f) of the Disclosure Schedule, to the Knowledge of Sellers, there do not exist any facts or dispute, including any claim or threatened claim, that may reasonably be expected to form the basis of any such action or lawsuit. Sellers have not entered into any Contract granting any third party the right to bring infringement actions with respect to any of the Transferred Intellectual Property that will survive the Closing.

(g) There is no pending claim or claim threatened in writing with respect to the Transferred Intellectual Property: (i) contesting the right of Sellers to use, exercise, sell, license, transfer or dispose of any of the Transferred Intellectual Property or any Business products; or (ii) challenging the ownership, validity or enforceability of any of the Transferred Intellectual Property. No Transferred Intellectual Property is subject to any outstanding order, judgment, decree, stipulation or agreement related to or restricting in any manner the licensing, assignment, transfer or conveyance thereof by Sellers.

(h) Section 3.13(f)(1) of the Disclosure Schedule contains a listing of all Intellectual Property Licenses. Schedule 3.13(h)(2) also contains a listing of all Contracts to which Sellers are a party that relates to the settlement of any claims related to the Transferred Intellectual Property (including co-existence agreements).

(i) Except as set forth on Section 3.13(i) of the Disclosure Schedule, the operation and conduct of the Business as currently conducted by Sellers, including the Sellers' manufacture, marketing, license, sale or use of any products or services anywhere in the world in connection with the Business has not, in the last three (3) years, and does not as of the Closing Date infringe, misappropriate or violate any Intellectual Property right of any third party, in each case except as would not reasonably be expected to be material to the Business. To the Knowledge of Sellers, there is no pending claim or claim threatened in writing alleging that the manufacture, marketing, license, sale or use of any product or service of the Business as currently conducted by Sellers infringes, misappropriates or otherwise violates any Intellectual Property right of any third party or violates any Contract with any third party to which Sellers are a party or by which they are bound.

(j) Except as set forth in Section 3.13(l) of the Disclosure Schedule, Sellers have the full right, power and authority to sell, assign, transfer and convey all of their right, title and interest in and to the Transferred Intellectual Property to Buyer, and upon Closing,

Buyer will acquire from Sellers good and marketable title to the Transferred Intellectual Property, free of Liens (other than Permitted Liens).

(k) Sellers have taken commercially reasonable steps to secure from each present or former employee, officer, director, agent, outside contractor or consultant of Sellers who contributed to the development of any Transferred Intellectual Property on behalf of Sellers a written and enforceable agreement providing for the non-disclosure by such Person of confidential information and assigning to one or more of the Sellers all rights to such Person's contribution to such Intellectual Property which agreement includes a present tense assignment of future inventions and a waiver of all non-assignable rights. Sellers have taken commercially reasonable and appropriate steps to protect, maintain and preserve the confidentiality of any material trade secrets included in the Transferred Intellectual Property. Any disclosure by Sellers of such trade secrets to any third party has been pursuant to the terms of a written agreement with such Person.

(l) All material software owned, licensed, used, or otherwise held for use in the Business is in good working order and condition and is sufficient in all material respects for the purposes for which it is currently used in the Business, except in each case as would not reasonably be expected to be material to Sellers and their respective Subsidiaries taken as a whole. To the Knowledge of Sellers, Sellers have not experienced any material defects in design, workmanship or material in connection with the use of such software that have not been corrected. To the Knowledge of Sellers, no such software contains 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 Sellers or their clients, or otherwise interfere with Sellers' operations as currently conducted, 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"). The computer software, computer hardware, firmware, networks, interfaces and related systems (collectively, "Computer Systems") used in the Business are sufficient in all material respects for Sellers' current needs in the operation of the Business as presently conducted, and, to the Knowledge of Sellers, in the past twelve (12) months, there have been no material failures, crashes, security breaches or other adverse events affecting the Computer Systems which have caused material disruption to the Business. Sellers provide for the back-up and recovery of material data and have implemented disaster recovery plans, procedures and facilities and, as applicable, have taken reasonable steps to implement such plans and procedures. Sellers have taken reasonable actions to protect the integrity and security of the Computer Systems and the information stored therein from unauthorized use, access, or modification by third parties.

(m) No Transferred Domain Name has been, during the past three (3) years, or is now involved in any dispute over its ownership or use.

(n) All Transferred Intellectual Property is subsisting, and except as set forth on Section 3.13(n) of the Disclosure Schedule, valid and enforceable.

Section 3.14 Compliance with Laws; Permits.

(a) Sellers are in compliance, in all material respects, with all Laws applicable to the Business. Except as related to or as a result of the filing or pendency of the Bankruptcy Cases, since June 1, 2017 (i) none of the Sellers has received any written notice of, or been charged with, the material violation of any Laws, and (ii) to the Knowledge of Sellers, no event has occurred or circumstance exists that (with or without notice, passage of time, or both) would constitute or result in a failure by any Seller or its Subsidiaries to comply, in any material respect, with any applicable Law. Except as related to or as a result of the filing or pendency of the Bankruptcy Cases, no investigation, review or Litigation by any Governmental Authority in relation to any actual or alleged material violation of Law by any Seller or its Subsidiaries is pending or, to the Knowledge of the Sellers, threatened, nor has any Seller or any of its Subsidiaries received any written notice from any Governmental Authority indicating an intention to conduct the same.

(b) All Permits required for any Seller and its Subsidiaries to conduct the Business as currently conducted by Sellers have been obtained by any Seller and its Subsidiaries and are valid and in full force and effect. No event has occurred that, with or without notice, passage of time, or both, would reasonably be expected to result in the revocation, cancellation, modification, suspension, lapse, limitation, or non-renewal of any Permit or Permits that, individually or in the aggregate, are material to the operation of the Business as currently conducted by Sellers. Each Seller and its Subsidiaries have complied in all material respects, and are currently in compliance in all material respects, with all Permits that, individually or in the aggregate, are material to the operation of the Business as currently conducted by Sellers, and have made all appropriate filings for issuance or renewal of such Permits. No Litigation is pending or, to the Knowledge of the Sellers, threatened to terminate, revoke, limit, cancel, suspend or modify any Permit or Permits that, individually or in the aggregate, are material to the operation of the Business as currently conducted by Sellers, and none of the Sellers has received notice from any Governmental Authority that (i) any such Permit will be revoked or not reissued on the same or similar terms, (ii) any application for any new Permit by any Seller or their respective Subsidiaries or renewal of any Permit or Permits that, individually or in the aggregate, are material to the operation of the Business as currently conducted by Sellers will be denied, or (iii) the Permit holder is in material violation of any Permit or Permits that, individually or in the aggregate, are material to the operation of the Business as currently conducted by Sellers.

(c) Each Seller, its Subsidiaries, their respective directors, officers, and employees, and to the Knowledge of Sellers, each Seller's and its Subsidiaries' agents and representatives are and have, since June 1, 2017 been in compliance with (i) U.S. and any applicable foreign economic sanctions Laws and regulations, including economic sanctions administered by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), and (ii) all U.S. and applicable foreign Laws and regulations relating to import and export controls (collectively, "Trade Controls"). None of the Sellers, their Subsidiaries, their respective officers, directors, agents, employees, or any third party acting on their behalf (A) is or has been designated on any sanctions-related list of restricted or blocked persons, including OFAC's list of "Specially Designated Nationals and Blocked

Persons", (B) is located in, organized under the Laws of, or resident in any country or territory that is itself the subject of any economic or financial sanctions by any Governmental Authority, or (C) owned or controlled by any Person or Persons described in clause (A) or (B). There have been no claims, complaints, charges, investigations, voluntary disclosures, or Litigations under Trade Controls involving any Seller or its Subsidiaries, and to the Knowledge of the Sellers, there are no pending or threatened claims or investigations involving suspect or confirmed violations thereof.

(d) No Seller nor any of its Subsidiaries, nor any of their respective directors, officers, employees, or agents, nor any third parties acting on their behalf, is and since January 1, 2016 has been engaged, directly or indirectly, in any activity in violation of (i) the Foreign Corrupt Practices Act of 1977, as amended, (ii) any other applicable Law of a Governmental Authority of similar effect or that relates to bribery or corruption (collectively "Anti-Bribery Laws"), or (iii) any applicable money laundering Laws. Since June 1, 2017, each Seller and its Subsidiaries have conducted the Business in compliance with all applicable Anti-Bribery Laws and money laundering Laws and has instituted and maintains policies, controls and procedures and an internal accounting system reasonably designed to ensure, and which are reasonably expected by each Seller and its Subsidiaries to continue to ensure continued compliance therewith and that violations of applicable Anti-Bribery Laws and money laundering Laws will be prevented, detected and deterred. Since June 1, 2017, each Seller and its Subsidiaries have not been the subject of or involved in any Litigations or, to the Knowledge of the Sellers, threatened Litigations, relating to compliance with Anti-Bribery Laws or money laundering Laws, and there have been no allegations (internal or external) against any Seller or its Subsidiaries, including its directors, officers, employees, agents or third parties acting on any Seller's or its Subsidiaries' behalf regarding non-compliance with the foregoing.

Section 3.15 Environmental Matters. Except as set forth on Section 3.15 of the Disclosure Schedule:

(a) Sellers are, and during the three (3) years prior to the date hereof have been, in compliance in all material respects with all Environmental Laws, which compliance has included obtaining, maintaining, and making required filings for issuance or renewal of all material Permits, licenses and authorizations required under Environmental Laws for the operations of Sellers and their respective Subsidiaries as currently conducted.

(b) Sellers have not, during the three (3) years prior to the date hereof, received, nor is there any pending or, to the Knowledge of the Sellers, any threatened, written notice or Litigation regarding any actual or alleged violation of, or liability or obligation under, Environmental Laws that would reasonably be expected to be material to Sellers and their respective Subsidiaries taken as a whole.

(c) Except for a Release or exposure that would not reasonably be expected to be material to Sellers and their Subsidiaries taken as a whole, there has been no Release of a Hazardous Substance (x) at, on, about, under or from the Stores, Distribution Centers, or corporate offices, or, to the Knowledge of the Sellers, any real property formerly owned,

leased or operated by Sellers or their Subsidiaries, or (y) arising from or relating to the operations of Sellers or their respective Subsidiaries or any of their respective predecessors.

(d) None of Sellers or any of their respective Subsidiaries, has manufactured, distributed, treated, stored, arranged for or permitted the disposal of, transported, handled, released, or exposed any Person to, any Hazardous Substance, except for such action that would not reasonably be expected to be material to Sellers and their respective Subsidiaries taken as a whole.

(e) None of Sellers or any of their respective Subsidiaries has assumed or retained, pursuant to any acquisition, divestiture, or merger, any obligation under any Environmental Law or concerning any Hazardous Substance that could reasonably be expected to result in material liability or any other material obligation to Sellers or their respective Subsidiaries under any applicable Environmental Law.

(f) Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby will require any investigation or remediation activities or notice to, filing or registration with, or consent of any Governmental Authority or other third party pursuant to any Environmental Law, including with respect to the New Jersey Industrial Site Recovery Act, N.J.S.A. 13:1K-6 et seq.

(g) Sellers have delivered to Buyer true and complete copies and results of any reports, studies, analyses, tests, or monitoring and any other material documents or correspondence initiated by or reasonably available to Sellers relating to environmental conditions or Liabilities under Environmental Law with respect to the operations of the Sellers and their respective Subsidiaries, the Stores, Distribution Centers, or corporate offices, or any real property formerly owned, leased, or operated by any of the Sellers or their respective Subsidiaries.

Section 3.16 Related Party Transactions. Except as set forth on Section 3.16 of the Disclosure Schedule and other than the Company Benefit Plans, no officer, director or executive committee member of any Seller or any member of their immediate family or any Affiliate of any Seller (other than another Seller) (a) is a party to any Contract or Lease required to be set forth on Schedule 2.7(a), or has any material business arrangement with, or has any material financial obligations to or is owed any financial obligations from, any Seller or, to the Knowledge of the Sellers, any actual competitor, vendor or licensor of any Seller (each such Contract, Lease or business arrangement, an "Affiliate Agreement"), (b) to the Knowledge of the Sellers, none of the foregoing Persons have any cause of action or other claim whatsoever against or related to the Business or the Acquired Assets, and (c) to the Knowledge of Sellers, no Seller has any direct or indirect business arrangement with or financial obligation to the foregoing Persons.

Section 3.17 Financial Statements.

(a) General. True, correct and complete copies of (i) the audited consolidated balance sheets and statements of operations and comprehensive income, stockholders' equity and cash flow of the Company as of and for the years ended December 31, 2018

and December 31, 2019, together with the auditor's reports thereon (the "Audited Financial Statements"), and (ii) an unaudited consolidated balance sheets and statements of operations and comprehensive loss, cash flow and stockholders' equity of the Company as of and for the four-month period ended April 30, 2020 (such date being the "Interim Balance Sheet Date") (the "Interim Financial Statements" and, together with Audited Financial Statements, the "Financial Statements") have been provided to Buyer. The Financial Statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company as of the dates and for the periods indicated in such Financial Statements, have been prepared in accordance with the books of account and other financial records of the Company and have been prepared in conformity with GAAP (except, in the case of the Interim Financial Statements, for the absence of footnotes and other presentation items and for normal year-end adjustments that are not material individually or in the aggregate).

(b) Financial Books and Records. The financial books and records of the Company and its Subsidiaries have been maintained in accordance with customary business practices and, taken together, fairly and accurately reflect on a basis consistent with past periods and throughout the periods involved, (i) the financial position of the Company and its Subsidiaries, and (ii) all transactions between the Company and its Subsidiaries, on the one hand, and a Seller or any of its Affiliates, on the other hand. The Company maintains a system of internal accounting controls designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements, including, that (x) transactions are executed in accordance with management's general or specific authorizations and (y) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP. Neither the Company nor any of its Subsidiaries has received any advice or notification from any independent accountants that the Company or any of its Subsidiaries has used any improper accounting practice that would have the effect of not reflecting or incorrectly reflecting in the books and records of the Company and its Subsidiaries any properties, assets, Liabilities, revenues, expenses, equity accounts or other accounts. There have been no instances of fraud, whether or not material, that occurred during any period covered by the Financial Statements. The Company has in place a revenue recognition policy consistent with GAAP.

(c) No Undisclosed Liabilities. Except (i) as reflected in the Financial Statements, (ii) as set forth in Section 3.17(c) of the Disclosure Schedule, (iii) for Liabilities that may have arisen since the Interim Balance Sheet Date in the Ordinary Course of Business and are not material to the Company or its Subsidiaries, (iv) Liabilities arising under the executory portion of a Contract (excluding in each case Liabilities for breach, non-performance or default) and (v) the Excluded Liabilities, the Company and its Subsidiaries do not have any Liabilities required to be set forth on an audited balance sheet prepared in accordance with GAAP of the Company and its Subsidiaries.

Section 3.18 Absence of Certain Changes. Other than as a result of the Bankruptcy Cases, since the Interim Balance Sheet Date, each Seller and its Subsidiaries have conducted their business in the Ordinary Course of Business, and there has not been any event, circumstance, or development that, individually or together with all other events, circumstances,

or developments, has had, or would reasonably be expected to have, a Material Adverse Effect. Without limiting the generality of the foregoing, since the Interim Balance Sheet Date, except as set forth in Section 3.18 of the Disclosure Schedule, none of the Sellers or any of their respective Subsidiaries have taken any action that, if taken after the date of this Agreement without Buyer's consent, would constitute a breach of the covenants set forth in Section 5.2(b).

Section 3.19 Merchandise. The Merchandise, taken as a whole, is of a quantity and quality historically useable or saleable in the conduct of the Business. All Merchandise is free from defects in materials and workmanship (normal wear and tear excepted), except as would not be material to the Business.

Section 3.20 Pricing Files. The Sellers have maintained their pricing files (including the File) in the Ordinary Course of Business. Cost, as reflected in the File, is the Company's actual FOB cost inclusive all inbound costs of freight to the Distribution Centers associated with the Merchandise and all customs duties and charges related to the Merchandise. All pricing files and records are consistent in all material respects as to the actual Cost to the Sellers for purchasing the goods referred to therein and as to the selling price to the public for such goods in the Ordinary Course of Business without consideration of any point of sale discounts.

Section 3.21 Royalties. Section 3.21 of the Disclosure Schedule sets forth a summary, true and correct in all material respects, without duplication, of all royalty payments generated by the licensee under the Business's license and distribution agreements in the calendar years ended December 31, 2017, 2018, and 2019 and in the five-month period ended May 31, 2020.

ARTICLE IV
BUYER'S REPRESENTATIONS AND WARRANTIES

Buyer represents and warrants to Sellers, as of the date hereof and as of the Closing Date, as follows:

Section 4.1 Organization of Buyer; Good Standing. Buyer is a limited liability company duly organized, validly existing, and in good standing under the Laws of the state of its formation or incorporation.

Section 4.2 Authorization of Transaction. Buyer has full power and authority (including full corporate or other entity power and authority) to execute and deliver this Agreement, the Related Agreements, and all other agreements contemplated hereby to which it is or will be a party and to perform its obligations hereunder and thereunder. The execution, delivery, and performance of this Agreement, the Related Agreements, and all other agreements contemplated hereby to which Buyer is or will be a party have been duly authorized by Buyer. Upon due execution hereof by Buyer, this Agreement, the Related Agreements, and all other agreements contemplated hereby (assuming due authorization and delivery by Sellers) shall constitute, subject to the Bankruptcy Court's entry of the Sale Order, the valid and legally binding obligation of Buyer, enforceable against Buyer in accordance with its terms and conditions, subject to applicable bankruptcy, insolvency, moratorium, or other similar Laws relating to creditors' rights and general principles of equity.

Section 4.3 Noncontravention. Neither the execution, delivery, or performance of this Agreement, the Related Agreements, and all other agreements contemplated hereby, nor the consummation of the transactions contemplated hereby and thereby (including the assignments and assumptions referred to in Article II), will (a) conflict with or result in a breach of the organizational documents of Buyer, (b) violate any Law or Decree to which Buyer is subject, or (c) result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify or cancel, or require any notice under any material Contract to which Buyer is a party, except, in the case of clauses (b) and (c), for such conflicts, violations, breaches, defaults, accelerations, rights or failures to give notice as would not, individually or in the aggregate, reasonably be expected to prevent or materially delay Buyer's ability to consummate the transactions contemplated hereby.

Section 4.4 Litigation; Decrees. There is no Litigation pending or, to the Buyer's knowledge, threatened in writing that challenges the validity or enforceability of this Agreement or seeks to enjoin or prohibit consummation of the transactions contemplated hereby. Neither Buyer nor any of its Subsidiaries is subject to any outstanding Decree that would prevent or materially impair or delay Buyer's ability to consummate the transactions contemplated hereby or perform its obligations hereunder on a timely basis.

Section 4.5 Brokers' Fees. Buyer has not entered into any Contract to pay any fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement for which Sellers or any of their Affiliates could become liable or obligated to pay.

Section 4.6 Sufficient Funds; Adequate Assurances. Upon the Closing, Buyer will have, immediately available funds sufficient for the satisfaction of all of Buyer's obligations under this Agreement, including the payment of the Purchase Price and all fees, expenses of, and other amounts required to be paid by, Buyer in connection with the transactions contemplated hereby. As of the Closing, Buyer shall be capable of satisfying the conditions contained in sections 365(b)(1)(C) and 365(f) of the Bankruptcy Code with respect to the Transferred Contracts and Assumed Leases and the related Assumed Liabilities.

Section 4.7 Related Party. Each of Buyer, IP Buyer (or their designee(s) pursuant to Section 9.6(b)) is not "related" within the meaning of Sections 267 or 707 of the IRC to any Seller.

ARTICLE V
PRE-CLOSING COVENANTS

The Parties agree as follows with respect to the period between the execution of this Agreement and the Closing (except as otherwise expressly stated to apply to a different period):

Section 5.1 Efforts; Cooperation. From and after the date hereof until the Closing or the earlier termination of this Agreement in accordance with its terms, upon the terms and subject to the conditions set forth in this Agreement (including Section 5.4), each of the Parties shall use its commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other Parties in doing, all things necessary,

proper, or advisable to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated hereby, except as otherwise specifically provided in Section 5.4. Without limiting the generality of the foregoing, (a) each Seller shall use its commercially reasonable efforts to cause the conditions set forth in Section 7.1 that are within its control or influence to be satisfied or fulfilled, and (b) Buyer shall use its commercially reasonable efforts to cause the conditions set forth in Section 7.2 that are within its control or influence to be satisfied or fulfilled.

Section 5.2 Conduct of the Business Pending the Closing.

(a) During the period prior to the Closing or the earlier termination of this Agreement in accordance with its terms, Sellers shall, except as otherwise required, authorized or restricted pursuant to this Agreement, the Bankruptcy Code or an order of the Bankruptcy Court, to operate the Business in the Ordinary Course of Business. Sellers shall use commercially reasonable efforts to: (A) except as related to or the result of the filing or pendency of the Bankruptcy Cases, preserve intact their business organizations, (B) maintain the Business in the Ordinary Course of Business and the Acquired Assets (normal wear and tear excepted), (C) keep available the services of its officers and Covered Employees in the Ordinary Course of Business, (D) except as related to or the result of the filing or pendency of the Bankruptcy Cases, maintain satisfactory relationships with licensors, licensees, suppliers, contractors, distributors, consultants, vendors and others having business relationships with Sellers in connection with the operation of the Business in the Ordinary Course of Business (other than payment of pre-petition claims), (E) pay all of its undisputed post-petition obligations in the Ordinary Course of Business, and (F) continue to operate the Business and Acquired Assets in all material respects in compliance with all Laws applicable to the Business and Sellers. For the avoidance of doubt, this Section 5.2(a) shall not restrict or prohibit (x) any action taken by Sellers in compliance with Section 5.2(b) to the extent Buyer provides consent under Section 5.2(b) or (y) the closing of the Closed Stores or conducting the sales at the Closing Stores as described in Section 5.2(b)(viii) below.

(b) Except (i) as set forth on Section 5.2(b) of the Disclosure Schedule, (ii) as required by applicable Law or by order of the Bankruptcy Court, (iii) as otherwise expressly required by this Agreement or (iv) with the prior written consent of Buyer, Sellers shall not:

(i) (A) increase the annual level of compensation of any Covered Employee or (B) increase the coverage or benefits available under any (or create any new) Company Benefit Plan;

(ii) subject any of the Acquired Assets to any Lien, except for Permitted Post-Closing Liens and any Lien secured and granted pursuant to the DIP Order;

(iii) terminate, permit to expire, amend or fail to renew, obtain or preserve any Permit or Permits that, individually or in the aggregate, are material to the operation of the Business as a whole;

(iv) make any loans or advances outside the Ordinary Course of Business, or make any loans or advances (whether or not outside the Ordinary Course of Business) to any Affiliate of any Seller (other than another Seller);

(v) enter into any Contract or Lease, including purchase orders, other than (x) Contracts (but not Leases) with a value that do not exceed $25,000 individually or $100,000 in the aggregate, (y) purchase orders entered into in accordance with the Approved Budget (as defined in the DIP Order) and with the prior written consent of Buyer or (z) Standby Letters of Credit described in clause (b) of Section 5.9;

(vi) enter into any Contract or Lease that limits or restricts in any material respect the conduct or operations of the business of the Sellers, or that limits or restricts the use of the Transferred Intellectual Property or any other Intellectual Property in which Sellers have any interest or right;

(vii) incur, create, assume, guarantee or become liable for any indebtedness for borrowed money;

(viii) use "liquidation" sales or use "brand sale", "going out of business", "out of business", "going out of business sale", "we quit", "quitting business", "everything must go", "liquidation/liquidating" or similar language with respect to the Business or the Acquired Assets other than with respect to the sale of inventory in the Stores set forth in Section 5.2(b)(viii) of the Disclosure Schedule (the "Closing Stores") pursuant to "store closing," "everything must go," "sale on everything" or similarly themed sale; provided, that in any such permitted sale the Sellers shall cause all sales to be final sales with no returns permitted and receipts to be marked accordingly;

(ix) close any Store other than the Closing Stores and the stores set forth in Section 5.2(b)(ix) of the Disclosure Schedule (the "Closed Stores");

(x) modify, amend, supplement, transfer, or terminate any material Contract or Lease required to be set forth on Schedule 2.7(a);

(xi) fail to make, or maintain in full force and effect, any filings necessary to maintain the material Transferred Intellectual Property in full force and effect;

(xii) write up, write down or write off the book value of any assets other than in the Ordinary Course of Business;

(xiii) engage any new employee (other than any such employee to be employed at the Stores or the Distribution Centers in the Ordinary Course of Business);

(xiv) reject any Contracts or Leases other than as set forth on Section 5.2(b)(xiv) of the Disclosure Schedule;

(xv) make any new commitment with respect to capital expenditures;

(xvi) (a) increase the rate or terms of compensation payable or to become payable to any of the officers or employees of the Sellers or (b) increase the rate or terms of any (including entering or adopting any new) bonus, pension or other employee benefit plan covering any of the officers or employees of Sellers;

(xvii) waive any of the rights of the Sellers under any confidentiality or non-compete provisions of any Contract;

(xviii) seek to accelerate the receipt of any royalty payments or licensing or other receivables generated by the Sellers, by way of discount or otherwise;

(xix) terminate any Covered Employee (other than any such Covered Employee employed at the Stores or the Distribution Centers in the Ordinary Course of Business) unless such termination is (i) for "cause", (ii) as a result of Sellers' good faith determination that such Covered Employee's services are no longer needed or that such Covered Employee's termination is necessary to reduce Sellers' expenses, provided, that Sellers shall consult with Buyer prior to any such termination, or (iii) as a result of Buyer's indication that such Covered Employee will not be hired upon expiration of the Benefits TSA, provided, that Sellers shall consult with Buyer prior to any such termination;

(xx) other than acquisitions and dispositions of inventory in the Ordinary Course of Business to Persons that are not Affiliates of any Seller, acquire, dispose of or transfer any material asset or material property;

(xxi) acquire, dispose of, or transfer any Intellectual Property right;

(xxii) pay, settle or compromise any Litigation or threatened Litigation involving the Sellers, or commence any Litigation;

(xxiii) amend the organizational documents of any Seller;

(xxiv) change accounting policies or procedures, except as required by a change in GAAP;

(xxv) invalidate or cause the cancellation of any current insurance coverage (without replacement thereof) or fail to maintain current insurance coverage or suitable renewals thereof providing coverage substantially the same as any expiring policy;

(xxvi) fail to file any Tax Return or pay any Taxes when due with respect to the Acquired Assets or the Business;

(xxvii) transfer into Stores from Distribution Centers or the E-Commerce Platform any inventory or Merchandise held for more than one (1) year;

(xxviii) transfer any cash located at the Stores, any cash in Store depository accounts or en route to Store depository accounts, or any petty cash located at the Stores, Distribution Centers and corporate offices out of such locations outside of the Ordinary Course of Business;

(xxix) issue any gift cards or gift certificates outside the Ordinary Course of Business;

(xxx) enter into any Affiliate Agreement, other than Affiliate Agreements on arm's-length terms; or

(xxxi) agree, whether in writing or otherwise, to do anything prohibited by this Section 5.2.

(c) Without limiting the foregoing, from and after the date hereof until the Closing or the earlier termination of this Agreement in accordance with its terms, (A) Sellers shall consult and cooperate with Buyer in good faith with respect to (i) receiving and accepting Merchandise; (ii) issuing purchase orders for Merchandise; (iii) paying post-petition obligations; (iv) incurring costs and expenses; and (v) pricing and promotions with respect to Merchandise or gift cards; provided, that Sellers may conduct "store closing," "everything must go," "sale on everything" or similarly themed sales at the Closing Stores so long as in any such sale the Sellers shall cause all sales to be final sales with no returns permitted and receipts to be marked accordingly, and (B) Sellers shall not, without Buyer's written consent, move any Merchandise between Stores, Distribution Centers, or between Stores and Distribution Centers; provided, that Sellers may transfer any inventory between and among the Closed Stores and the Closing Stores.

Section 5.3 Bankruptcy Court Matters.

(a) Competing Transaction. This Agreement is subject to approval by the Bankruptcy Court and the consideration by Sellers of higher or better competing bids (whether through cash, assumed liabilities or credit bid) in respect of a sale, reorganization, or other disposition of the Sellers, the Business or the Acquired Assets. From the date hereof (and any prior time) and until the transactions contemplated hereby are consummated, Sellers are permitted to and to cause their Representatives and Affiliates to initiate contact with, solicit or encourage submission of any inquiries, proposals or offers by any Person (in addition to Buyer and its Affiliates and Representatives) in connection with any Alternative Transaction. In addition, Sellers shall have the authority to respond to any inquiries or offers with respect to an Alternative Transaction and perform any and all other acts related thereto to the extent any such act is not in violation of the Bidding Procedures Order or the Bankruptcy Code.

(b) Bankruptcy Court Filings.

(i) Sale Order and Bidding Procedures Order. Sellers shall seek, on an expedited basis if necessary, entry of the Sale Order, the Bidding Procedures Order, and any other necessary orders by the Bankruptcy Court to consummate the Closing as soon as reasonably practicable following the execution of this Agreement,

subject to the terms of the Bidding Procedures Order and Sale Order. Buyer and Sellers understand and agree that the transaction is subject to approval by the Bankruptcy Court. Buyer agrees that it will promptly take such actions as are reasonably requested by Sellers to assist in obtaining entry of the Sale Order and Bidding Procedures Order, including a finding of adequate assurance of future performance by Buyer, including by furnishing affidavits or other documents or information for filing with the Bankruptcy Court for the purposes, among others, of providing necessary assurances of performance by Buyer under this Agreement and demonstrating that Buyer is a "good faith" purchaser under section 363(m) of the Bankruptcy Code. In the event the entry of the Sale Order or the Bidding Procedures Order shall be appealed, Sellers shall use commercially reasonable efforts to defend such appeal.

(ii) Sellers shall file such motions or pleadings as may be appropriate or necessary to: (A) assume and assign the Transferred Contracts and Assumed Leases and (B) subject to the consent of the Buyer, determine the amount of the Cure Costs; provided that nothing herein shall preclude Sellers from filing such motions to reject any Contracts or Leases that have been designated for rejection by Buyer pursuant to Section 2.7.

(iii) Sellers shall cooperate with Buyer concerning the Bidding Procedures Order, the Sale Order, any other orders of the Bankruptcy Court relating to the transactions contemplated by this Agreement, and the bankruptcy proceedings in connection therewith, and Sellers shall, to the extent reasonably practicable, provide Buyer with draft copies of all applications, pleadings, notices, proposed orders and other documents relating to such proceedings at least two (2) Business Days in advance of the proposed filing date so as to permit the Buyer sufficient time to review and comment on such drafts, and, with respect to all provisions that impact the Buyer or relate to the transactions contemplated by this Agreement, such pleadings and proposed orders shall be in form and substance reasonably acceptable to the Buyer. Sellers shall use commercially reasonable efforts to give Buyer reasonable advance notice of any hearings regarding the motions required to obtain the issuance of the Bidding Procedures Order and the Sale Order.

(c) Bankruptcy Court Milestones. Sellers shall comply with the following timeline (the "Bankruptcy Court Milestones"):

(i) As promptly as practicable but in no event later than two (2) calendar days after the Petition Date, Sellers shall file with the Bankruptcy Court the Bidding Procedures Motion, together with a substantially final form of this Agreement; which shall include an executed Agreement.

(ii) No later than July 31, 2020, Sellers shall obtain entry of the Bidding Procedures Order.

(iii) No later than August 10, 2020, the Auction (if necessary) shall have been held pursuant to the Bidding Procedures Order.

(iv) No later than August 12, 2020, the Bankruptcy Court shall have held the Sale Hearing to consider entry of the Sale Order.

(v) No later than one (1) Business Day after the Sale Hearing, Sellers shall obtain entry by the Bankruptcy Court of the Sale Order and such order shall be in full force and effect and not reversed, modified or stayed.

(d) Sellers shall not voluntarily pursue or seek, or fail to use commercially reasonable efforts to oppose any third party in pursuing or seeking, a conversion of the Bankruptcy Cases to cases under Chapter 7 of the Bankruptcy Code, the appointment of a trustee under Chapter 11 or Chapter 7 of the Bankruptcy Code or the appointment of an examiner with expanded powers.

(e) Sellers shall promptly serve true and correct copies of all applicable pleadings and notices in accordance with the Bidding Procedures Order, the Bankruptcy Code, the Bankruptcy Rules and any other applicable order of the Bankruptcy Court.

(f) Expense Reimbursement and Break-Up Fee.

(i) If this Agreement is terminated by Buyer or Sellers for any reason pursuant to Section 8.1, other than termination pursuant to Section 8.1(n) or termination by Sellers pursuant to Section 8.1(a), Section 8.1(d), or Section 8.1(l), Sellers shall, within five (5) Business Days after such termination of this Agreement, reimburse Buyer for all actual, documented and reasonable out of pocket costs, fees and expenses incurred by Buyer or its Affiliates, including reasonable fees, costs and expenses of any professionals (including financial advisors, outside legal counsel, accountants, experts and consultants) retained by Buyer or its Affiliates in connection with or related to the authorization, preparation, investigation, negotiation, execution and performance of this Agreement, including the Bankruptcy Cases and other judicial and regulatory proceedings related to the Agreement, up to an aggregate amount of $1,000,000 (such costs, fees and expenses, the "Expense Reimbursement"), such reimbursement to be made by wire transfer(s) in immediately available funds to one or more bank accounts of Buyer (or any of its Affiliates) designated in writing by Buyer to Sellers.

(ii) In addition to any payments that may be due pursuant to Section 5.3(f)(i), if this Agreement is terminated by (A) Buyer or Sellers pursuant to Section 8.1(b)(ii) at a time when Buyer would have been permitted to terminate pursuant to Section 8.1(c), Section 8.1(e), Section 8.1(f) or Section 8.1(i), (B) by Buyer pursuant to Section 8.1(c), Section 8.1(f) or Section 8.1(i), or (C) by Sellers pursuant to Section 8.1(m), then in each case of the foregoing clauses (A) – (C), Sellers shall, in addition to the Expense Reimbursement which shall be payable as provided in Section 5.3(f)(i), promptly (and in any event within three (3) Business

Days of such termination or, in the case of a termination pursuant to Section 8.1(e), upon the earlier of (x) the consummation of such Alternative Transaction or (y) the date that is thirty (30) days following such termination) pay to Buyer the Break-Up Fee, such payment of the Break-Up Fee to be made by wire transfer(s) in immediately available funds to one or more bank accounts of Buyer (or any of its Affiliates) designated in writing by Buyer to Sellers.

(iii) The Parties acknowledge and agree that (A) the Parties have expressly negotiated the provisions of this Section 5.3(f) and the payment of the Break-Up Fee and the Expense Reimbursement are integral parts of this Agreement, (B) in the absence of Sellers' obligations to make these payments, Buyer would not have entered into this Agreement, and (C) the Break-Up Fee and the Expense Reimbursement shall constitute allowed superpriority Administrative Expense Claims pursuant to sections 105(a), 503(b), and 507(a)(2) of the Bankruptcy Code with priority over all other administrative expenses of the kind specified in section 503(b) of the Bankruptcy Code, provided, that the priority of such superpriority Administrative Expense Claims shall be junior to (x) the Carve-Out and all allowed Administrative Expense Claims for fees and expenses of persons or firms retained by the Sellers and their affiliated debtors pursuant to section 327, 328 or 363 of the Bankruptcy Code, and (y) Claims arising under the DIP Financing Agreement. Buyer's rights to the Break-Up Fee or the Expense Reimbursement, as applicable, pursuant to this Section 5.3(f) and subject to Section 2.3(b)(iv), shall be the sole and exclusive remedy of Buyer against Sellers and any of their respective Affiliates for any Liability, damage or other loss resulting from, the termination of this Agreement, breach of any representation, warranty covenant or agreement contained herein or the failure of the transactions contemplated hereby to be consummated, and none of Buyer nor any of its Affiliates shall have any other remedy or cause of action under or relating to this Agreement or any applicable Law.

(iv) Each Seller acknowledges and agrees that such Seller shall be jointly and severally liable for the entire Break-Up Fee and the Expense Reimbursement payable by Sellers pursuant to this Agreement.

(v) The obligations of Sellers to pay the Break-Up Fee or the Expense Reimbursement shall survive the termination of this Agreement in accordance with Section 8.2. The Break-Up Fee or the Expense Reimbursement shall be deemed earned upon entry of the Bidding Procedures Order.

Section 5.4 Notices and Consents.

(a) Sellers will give, or will cause to be given, any notices to third parties, and each of the Parties will use its commercially reasonable efforts to obtain any third party consents or sublicenses as are otherwise necessary and appropriate to consummate the transactions contemplated hereby, including the assignment to, and assumption by, Buyer or its designee of the Transferred Contracts and the Assumed Leases; provided, however, that (i) neither Sellers nor any Subsidiary of Sellers shall be required to pay any

consideration therefor or incur any expenses in connection therewith, (ii) Sellers shall not be obligated to initiate any Litigation or legal proceedings to obtain such consent or approval, and (iii) Buyer shall pay any reasonable out-of-pocket costs as a result of amendments or modifications to any Transferred Contract or Assumed Lease, in either case as is necessary to obtain such consent or sublicense, and if Buyer refuses to pay such costs, such Contract or Lease shall be excluded from the transactions hereunder and there shall be no adjustment to the Purchase Price on account of such exclusion.

(b) Without limiting the applicability of Section 6.3, each of the Parties will give any notices to, make any filings with, and use its commercially reasonable efforts to obtain any authorizations, consents, and approvals of Governmental Authorities necessary and appropriate to consummate the transactions contemplated hereby.

Section 5.5 Notice of Developments. Sellers and Buyer will give prompt written notice to the other Parties of (a) the existence of any fact or circumstance, or the occurrence of any event, of which it has Knowledge that would reasonably be likely to cause a condition to a Party's obligations to consummate the transactions contemplated hereby set forth in Article VII not to be satisfied as of any date, or (b) the receipt of any notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement; provided, however, that the delivery of any such notice pursuant to this Section 5.5 shall not be deemed to amend or supplement this Agreement and the failure to deliver any such notice shall not constitute a waiver of any right or condition to the consummation of the transactions contemplated hereby by any Party. Sellers shall periodically (but not less than weekly) provide Buyer with written reports on cash flows of Sellers; provided, further, that any failure of any Party to deliver, or delay in the delivery of, any notice pursuant to this Section 5.5 shall not be considered for purposes of the conditions to Closing set forth in Section 7.1(b) or Section 7.2(b).

Section 5.6 Access. Upon the reasonable request of Buyer, Sellers will permit Buyer and its Representatives to have reasonable access in a manner so as not to interfere unreasonably with the normal business operations of Sellers to all premises, properties, information, books and records, Contracts and Leases of the Sellers to the extent reasonably necessary in connection with the consummation of the transactions contemplated hereby; provided, however, that, for avoidance of doubt, the foregoing shall not require any Person to waive, or take any action with the effect of waiving, its attorney-client privilege with respect thereto or that would, upon the advice of counsel, reasonably be expected to result in violation of applicable Law (it being agreed that each such Person shall use commercially reasonable efforts to cause such access or information to be provided in a manner that does not cause such waiver or violation). Buyer shall upon reasonable notice to Sellers be permitted to contact vendors, landlords, suppliers, licensors and licensees. Sellers shall be entitled to be present at any such meetings.

Section 5.7 Bulk Transfer Laws. Buyer acknowledges that Sellers will not comply with the provisions of any bulk transfer Laws or similar Laws of any jurisdiction in connection with the transactions contemplated by this Agreement, including the United Nations Convention on the Sale of Goods, and hereby waives all claims related to the non-compliance therewith.

Section 5.8 Confidentiality.

(a) The Confidentiality Agreement shall automatically terminate (solely with respect to any Confidential Information (as defined therein) that constitutes an Acquired Asset or Assumed Liability) in connection with the Closing without further action by either Party thereto. For the avoidance of doubt, except as provided in the immediately preceding sentence, the Confidentiality Agreement shall continue in full force and effect following the Closing in accordance with its terms.

(b) Following the Closing, each Seller shall, and shall cause his, her or its respective Representatives and Affiliates (each of the foregoing, collectively, "Seller Related Parties") to, (i) maintain the confidentiality of, (ii) not use, and (iii) not divulge to any Person, any confidential, non-public or proprietary information included in the Acquired Assets ("Confidential Information"), except with the prior written consent of Buyer, or as may be required by applicable Law; provided that such Seller and its Seller Related Parties shall not be subject to such obligation of confidentiality for Confidential Information that is or becomes generally available to the public without breach of this Agreement by such Seller or its Seller Related Parties. If any Seller or any Seller Related Party shall be required by applicable Law to divulge any Confidential Information, such Seller or its Seller Related Party shall provide Buyer with prompt written notice of each such request so that Buyer may, at Buyer's sole expense, seek an appropriate protective order or other appropriate remedy, and such Seller or Seller Related Party shall reasonably cooperate with Buyer to obtain a protective order or other remedy; provided that, in the event that a protective order or other remedy is not obtained, such Seller or Seller Related Party shall furnish only that portion of such Confidential Information which, in the opinion of its counsel, such Seller or Seller Related Party is legally compelled to disclose and shall exercise its commercially reasonable efforts to obtain reliable assurance that confidential treatment will be accorded any such Confidential Information so disclosed.

Section 5.9 Standby Letters of Credit. At or prior to Closing, Buyer shall replace or settle in full each Standby Letter of Credit (a) outstanding as of the date of this Agreement and set forth on Schedule B, (b) issued on or after the date of this Agreement and prior to the Closing in respect of, and in an amount that does not exceed, any purchase order set forth on Schedule A or (c) issued after the date of this Agreement in respect of, and in an amount that does not exceed, any purchase order entered into following the date of this Agreement in accordance with the terms of this Agreement (including Section 5.2(b)(v)), in each case of the foregoing clauses (a), (b) and (c) by either (i) causing the termination, expiration or cancellation and return of all outstanding Standby Letters of Credit, and/or (ii) with respect to each such Standby Letter of Credit, the furnishing to the DIP Agent of a cash deposit, or at the discretion of the DIP Agent, a backup standby letter of credit satisfactory to the DIP Agent, in an amount equal to 105% of the principal amount of the applicable Standby Letter(s) of Credit. Buyer acknowledges and agrees that it shall be solely responsible for ensuring that any credit support provided pursuant to this Section 5.9 satisfies all of the credit support provisions of the applicable Transferred Contract or Assumed Lease to which it relates. Sellers will cooperate with Buyer in connection with the performance of Buyer's obligations under this Section 5.9. For the avoidance of doubt and notwithstanding anything in this Agreement to the contrary, in no event will Buyer have any obligation under this Section 5.9 to replace, settle or collateralize any Standby Letter of

Credit (i) to the extent the inventory relating thereto has been included in the calculation of Total Closing Inventory Value or (ii) if such Standby Letter of Credit relates to a Lease unless and until such Lease is deemed an Assumed Lease hereunder and has been actually assumed by Buyer.

Section 5.10 Directors and Officers Insurance. Prior to the Closing, Sellers shall (at Sellers' sole cost and expense) obtain, maintain and fully pay for irrevocable "tail" insurance policies (the "Tail Policies") naming each present (as of immediately prior to the Closing) and former director and officer of Sellers as direct beneficiaries, with a claims period of at least six (6) years from the Closing Date, from an insurance carrier with the same or better credit rating as Sellers' current insurance carrier with respect to directors' and officers' liability insurance in an amount and scope at least as favorable as Sellers' existing policies with respect to matters existing or occurring at or prior to the Closing Date.

Section 5.11 Store Inventory Taking.

(a) As promptly as practicable following the date hereof, the Parties shall cause RGIS or another mutually acceptable independent inventory taking service (the "Inventory Agent") to conduct a Cost and unit physical inventory (the "Store Inventory Taking") of the Merchandise located in one hundred (100) of the Stores that do not constitute Closing Stores or Closed Stores (the "Test Stores"), with fifty (50) of the Test Stores selected by Sellers and fifty (50) of the Test Stores selected by Buyer. Items of Merchandise that are damaged or defective (as determined consistent with Sellers' policy for the Stores set forth on Schedule 5.11(a) or as otherwise determined by the Inventory Agent based on the Store Inventory Taking procedures mutually agreed by the Parties) shall be identified as such during the Store Inventory Taking and reflected in the Test Store Results.

(b) Buyer and Sellers may each have representatives present during the Store Inventory Taking, and shall each have the right to review and verify the listing and tabulation of the Inventory Agent. During the conduct of the Store Inventory Taking, the applicable Test Store shall be closed to the public, and no sales or other transactions shall be conducted within the applicable Test Store; provided, however, that the Store Inventory Taking will commence at a time that will minimize the number of hours that the applicable Test Store will be closed for business. The date of the Store Inventory Taking at each Test Store shall be referred to as the "Store Inventory Date" for such Test Store and the date on which the Store Inventory Taking at the last Test Store is completed shall be referred to as the "Final Store Inventory Date". Buyer and Sellers shall jointly employ the Inventory Agent to conduct the Store Inventory Taking in accordance with procedures to be mutually agreed by the Parties.

(c) The results of the Store Inventory Taking at the Test Stores (the "Test Store Results") shall be used to determine the Total Store Inventory Value, as follows:

(i) The value of the Merchandise at the Test Stores shall be the actual Test Store Results at the Test Stores, utilizing for each item of counted Merchandise the applicable cost of the item as reflected in the column labeled "Inv_Cost_Dollars" ("Cost") in the Sellers' files set forth on Schedule 5.11(c) as updated as of the applicable Store Inventory Date (the "File"), and

(ii) The aggregate value of the Merchandise at the Stores that do not constitute Test Stores and that do not constitute Closing Stores or Closed Stores (the "Non-Test Stores") shall be calculated by (x) comparing the actual Test Store Results at the Test Stores to the total Book Value of the Merchandise at the Test Stores as reflected in the File as of the applicable Store Inventory Date, and calculating an average variance between the Test Store Results and Book Value (the "Variance"); and (y) the Variance shall be applied to adjust the aggregate Book Value of the Merchandise at the Non-Test Stores as reflected in the File as of the Final Store Inventory Date.

(d) The Inventory Agent shall issue its report of the Test Store Results (the "Inventory Report") as promptly as practicable and in any event at least five (5) Business Days prior to the Closing. At least two (2) Business Days prior to the Closing Date, Buyer and Sellers shall review, reconcile and mutually verify the Test Store Results as set forth in the Inventory Agent's report, the Variance and the resulting Merchandise value at the Non-Test Stores calculated in the manner described in Section 5.11(c) (such inventory value for the Test Stores and the Non-Test Stores, collectively, the "Total Store Inventory Value"). The total fees and costs of the Inventory Agent in conducting the Store Inventory Taking and preparing and issuing its report of the Test Store Results to the Parties shall be paid 50% by Sellers and 50% by Buyer.

Section 5.12 Other Pre-Closing Agreements. Prior to the Closing, Sellers shall take the actions set forth on Schedule C.

Section 5.13 Designated Merchandise. Subject to the entry by the Bankruptcy Court of the Sale Order, upon Buyer's designation by written notice to Sellers of the Designated Merchandise, Hilco Wholesale Solutions, LLC ("HWS") or any other designee of Buyer may arrange for the removal of the Designated Merchandise prior to, at or following the Closing, as Buyer or its designee may elect by written notice to Sellers; provided, that if the Designated Merchandise is removed prior to the Closing, HWS or such other designee shall undertake to pay to Sellers (and Buyer shall guarantee such payment obligation), solely in the event this Agreement is terminated and the Closing does not occur, an amount equal to (a) the Designated Merchandise Amount multiplied by (b) 0.90. In connection with any such removal, Sellers shall pack the Designated Merchandise for shipment upon reasonable advance written notice from Buyer, HWS or such other designee and HWS or such other designee shall pay, and Buyer shall cause such payment of, all freight expenses.

ARTICLE VI
OTHER COVENANTS

The Parties agree as follows with respect to the period from and after the Closing:

Section 6.1 Further Assurances.

(a) If, following the Closing, Buyer or any Seller becomes aware that Buyer or any of its Affiliates is in possession of any asset or right that is an Excluded Asset, such Party shall promptly inform the other Party of that fact. Thereafter, at the request of any

Seller, Buyer shall execute, or cause the relevant Affiliate(s) of Buyer to execute, such documents as may be reasonably necessary to cause the transfer of, and Buyer shall thereafter transfer, any such asset or right to Sellers or such other entities nominated by such Sellers for no consideration and such Sellers shall do all such things as are reasonably necessary to facilitate such transfer. If, following the Closing, Buyer receives any payments in respect of an Excluded Asset, Buyer shall promptly remit such payments to the applicable Sellers or other entity nominated by such Sellers.

(b) If, following Closing, Buyer or any Seller becomes aware that a Seller or any of its Affiliates is in possession of any asset or right that is an Acquired Asset, such Party shall promptly inform the other Party of that fact. Thereafter, at the request of Buyer, the applicable Sellers shall execute or cause the relevant Affiliate(s) of such Sellers to execute such documents as may be reasonably necessary to cause the transfer of and such Sellers shall thereafter transfer any such asset or right to Buyer or any other entities nominated by Buyer for no consideration and Buyer shall do all such things as are reasonably necessary to facilitate such transfer. If, following the Closing, a Sellers or its Affiliates receive any payments in respect of the Acquired Assets, such Sellers shall promptly remit such payments to Buyer or other entity nominated by Buyer.

(c) From and after the Closing, Sellers hereby authorize and empower Buyer and its Affiliates to receive and open all mail and other communications (including electronic communications) received by Buyer or its Affiliates relating to the Business or and to deal with the contents of such communications; provided, that any mail or other communications constituting or otherwise pertaining to Excluded Assets or Excluded Liabilities shall be promptly forwarded to Sellers. From and after the Closing, Sellers shall promptly deliver or cause to be delivered to Buyer any mail or other communication (including electronic communications) received by Sellers or any of their respective Affiliates after the Closing Date pertaining to the Business (except to the extent such mail or other communications constitutes or otherwise pertains to Excluded Assets or Excluded Liabilities), and if Sellers or any of their respective Affiliates receive from any Person after the Closing Date any telephone calls with respect to the Business at any telephone number not transferred to Buyer, Sellers shall inform such Person that the telephone number for the Business has changed and provide such Person with, and forward such call to, such telephone number for the Business as is supplied by Buyer.

(d) From and after the date of this Agreement until the earlier of the Closing or termination of this Agreement in accordance with its terms, Sellers shall, and shall cause their respective Subsidiaries to, as reasonably requested by Buyer, use commercially reasonable efforts to obtain benefits or relief from any applicable Governmental Authorities under any programs or offerings adopted or administered by such Governmental Authorities following the date of this Agreement and which any Seller or its Subsidiaries may be entitled to access or receive.

Section 6.2 Access; Enforcement; Record Retention. From and after the Closing, upon request by any Party (the "Requesting Party"), the other Parties will, and will cause their respective employees to, permit such Requesting Party and its Representatives to have reasonable access during normal business hours, and in a manner so as not to interfere

unreasonably with the normal business operations of such Party, to all premises, properties, personnel, books and records, and Contracts or Leases of such Party for the purposes of (a) monitoring or enforcing rights or obligations under this Agreement or any of the Related Agreements, (b) complying with the requirements of any Governmental Authority, (c) completing the sales at the Closing Stores as described in Section 5.2(b)(viii) and the liquidation and winding down of Sellers following the Closing, and (d) otherwise providing such reasonable assistance and cooperation as may be requested by Buyer from time to time prior to the Closing Date to reasonably facilitate the transition of the Business; provided, however, that, for avoidance of doubt, the foregoing shall not require a Party to take any such action if (i) such action would reasonably be expected to result in a waiver or breach of any attorney/client privilege, (ii) such action would reasonably be expected to result in violation of applicable Law, or (iii) providing such access or information would be reasonably expected to be materially disruptive to its normal business operations. Without limiting the generality of the foregoing, from and after the Closing, Buyer will provide Sellers (at no added cost or expense to Buyer) with reasonable assistance, support and cooperation with Sellers' wind-down and related activities (e.g., helping to locate documents or information related to prosecution or processing of insurance/benefit claims); provided that such assistance, support and cooperation does not interfere unreasonably with the normal business operations of Buyer. Buyer agrees to maintain the files or records which are contemplated by the first sentence of this Section 6.2 in a manner consistent in all material respects with its document retention and destruction policies, as in effect from time to time, for six (6) years following the Closing.

Section 6.3 Regulatory Approvals.

(a) Each of the Parties, as promptly as practicable, shall make, or cause to be made, all filings and submissions under Law applicable to it, or to its Subsidiaries and Affiliates, as may be required for it to consummate the transactions contemplated herein, including, if applicable, all filings required under the HSR Act within ten (10) Business Days after the date of this Agreement, and use its commercially reasonable efforts to make, or to cause to be made, any filing that the Parties mutually agree is required under any other antitrust or competition Laws or by any Governmental Authorities in order to consummate the transactions contemplated under this Agreement as soon as practicable after the date of this Agreement, and to obtain, or cause to be obtained, all authorizations, approvals, consents and waivers from all Governmental Authorities necessary to be obtained by it, or its Subsidiaries or Affiliates, in order for it to consummate such transactions. In connection with the making of any filings required under the HSR Act, the Parties shall request early termination of the applicable waiting period under the HSR Act by the applicable Governmental Authority.

(b) The Parties shall coordinate and cooperate with one another in exchanging and providing such information to each other and in making the filings and requests referred to in paragraph (a) above. The Parties shall supply such reasonable assistance as may be reasonably requested by any other Party in connection with the foregoing.

(c) Notwithstanding the foregoing, nothing in this Section 6.3 or otherwise in this Agreement shall require Buyer or any of its Subsidiaries or Affiliates to propose, negotiate, effect or agree to, the sale, divestiture, license or other disposition of any assets

or businesses of Buyer, its Subsidiaries or Affiliates, or the Acquired Assets or otherwise take any action that limits its freedom of action with respect to, or its ability to retain any of the businesses, product lines or assets of Buyer, its Subsidiaries or Affiliates, or the Acquired Assets. The HSR Act filing fee shall be borne by Buyer.

Section 6.4 Covered Employees.

(a) In connection with the Benefits TSA Expiration Date (as defined below), Buyer shall offer employment or not offer employment (or cause a third party operator to offer employment or not offer employment) to Covered Employees in its sole discretion. After the Closing Date but no later than five (5) Business Days prior to the Benefits TSA Expiration Date, Buyer shall provide Sellers a list of Covered Employees to which Buyer would like to make an offer of employment effective as of the Benefits TSA Expiration Date. Any such offer of employment (i) will be effective as of the Benefits TSA Expiration Date, and (ii) will be on terms and conditions, including compensation and employee benefits, to be determined by Buyer in its discretion, which terms and conditions are expected to be reasonably comparable to the Covered Employees' employment terms and conditions as in effect immediately prior to the Closing. Each Covered Employee who accepts such offer of employment shall be deemed a "Transferred Employee" from and after the date his or her offer becomes effective (i.e. on the Benefits TSA Expiration Date). Sellers will reasonably cooperate with any reasonable requests by Buyer in order to facilitate the offers of employment and the delivery of such offers.

(b) Buyer shall use commercially reasonable efforts to cause (i) the waiver of any limitations as to preexisting conditions and exclusions, (ii) the crediting of service with any Seller and its Affiliates for purposes of satisfying waiting periods with respect to participation and coverage requirements applicable to such Transferred Employees under such plans and (iii) for the plan year in which the Closing Date occurs (or, if later, in the calendar year in which such Transferred Employees and their dependents commence participation in the applicable welfare plans), the crediting of each such Transferred Employee with any co-payments and deductibles paid prior to participation in such welfare plans in satisfying any applicable deductible or out-of-pocket requirements thereunder.

(c) Each Transferred Employee shall be given credit for all service with Sellers and their Subsidiaries, and their respective predecessors under any employee benefit plans or arrangements of Buyer and its Affiliates maintained by Buyer or its Affiliates in which such Transferred Employees participate following the Closing Date, for purposes of eligibility, vesting, and entitlement to benefits, excluding for severance benefits and vacation entitlement and for accrual of pension benefits. Notwithstanding the foregoing, nothing in this Section 6.4(c) shall be construed to require crediting of service that would result in a duplication of benefits.

(d) Employee Transition Services.

(i) Notwithstanding anything herein to the contrary, Sellers and Buyer shall negotiate in good faith and enter into a transition services agreement (the "Benefits TSA") which shall provide that Sellers will retain all Covered Employees

who remain employed as of the Closing Date other than the Covered Employees listed on Schedule 6.4(d) (the "Benefits TSA Employees") through the 60th day after the Closing or such earlier date as determined by Buyer in writing in its sole discretion (the "Benefits TSA Expiration Date"). Schedule 6.4(d) shall be prepared by Buyer and delivered to Sellers no later than the date that is five (5) days prior to the Closing Date; provided, that Buyer may amend, modify or otherwise change Schedule 6.4(d) in its sole discretion, effective immediately upon written notice to Sellers, at any time on or prior to the date that is five (5) days prior to the Closing Date.

(ii) Subject to the further terms and conditions included in the Benefits TSA, the Benefits TSA shall provide that (i) Sellers shall continue all Company Benefit Plans and the Benefits TSA Employees shall remain eligible to participate in such Company Benefit Plans for the duration of the Benefits TSA, (ii) Buyer shall pay Sellers the actual internal cost in the Ordinary Course of Business to employ the Benefits TSA Employees during the period from and including the Closing Date through the Benefits TSA Expiration Date, in advance on the day before the funding for such payroll becomes due, which amount shall include the Sellers' cost for payroll and employee benefits, and which payment shall be placed in a segregated account to be used solely for such purposes and Sellers shall deliver to Buyer Schedule 6.4(d) containing the "fully loaded" benefits cost for each employee no later than (5) Business Days from the date hereof an estimate of which has been provided to Buyer on the date hereof (and such estimate is on an aggregated basis), (iii) during the term of the Benefits TSA, Sellers shall cause the Benefits TSA Employees to perform the same functions, roles and services for Buyer that were performed for the Sellers prior to the Closing Date, (iv) during the term of the Benefits TSA, Buyer shall have the authority to direct Sellers regarding all employment-related decision with respect to the Benefits TSA Employees, and (v) the costs described in clause (ii) (x) shall only include costs first arising from and after the Closing Date through the Benefits TSA Expiration Date, and (y) shall not include any Liabilities resulting from such Covered Employees separation of employment on or prior to the Closing Date. Promptly following the date hereof, but with the final terms to be agreed on in any event no later than fifteen (15) Business Days after the date hereof, the Parties agree to negotiate in good faith the terms of, and enter into effective as of the Closing, the Benefits TSA.

(e) The employees of the Sellers who are not offered employment with, or who do not accept employment from, Buyer shall be referred to herein as "Non Transferred Employees." Following the Benefits TSA Expiration Date, Buyer shall not have any Liability with respect to any Non Transferred Employee or any other former employee of Sellers other than the COBRA Liabilities with respect to M&A Qualified Beneficiaries.

(f) Sellers agree and acknowledge that they are collectively the selling group (as defined in 26 C.F.R. 54.4980B-9, Q&A-3(a)) of which it is a part (the "Selling Group") and shall continue to offer their group health plans, provided, that upon request of Buyer, Sellers may be required to cease offering the United Health Care medical plan (subject to the availability of another Seller group health plan to cover any participants in such plan),

after the Closing Date through the Benefits TSA Expiration Date (or such earlier date as may be mutually agreed) and, accordingly, the Selling Group shall be solely responsible for providing continuation coverage under COBRA to the M&A Qualified Beneficiaries during the period beginning on the Closing Date and ending on the Benefits TSA Expiration Date (or such earlier date as may be mutually agreed). Buyer agrees and acknowledges that the Selling Group will not maintain any group health plans after the Benefits TSA Expiration Date (or such earlier date as may be mutually agreed) and, accordingly, from and after the Benefits TSA Expiration Date (or such earlier date as may be mutually agreed), Buyer shall be solely responsible for providing continuation coverage under COBRA to the M&A Qualified Beneficiaries. Sellers shall provide promptly to Buyer, at Buyer's request, any information or copies of personnel records (including addresses, dates of birth, dates of hire and dependent information) relating to the Transferred Employees or relating to the service of Transferred Employees to Sellers (and predecessors of Sellers, as applicable) prior to the Closing, as well as information regarding M&A Qualified Beneficiaries as is reasonably necessary for Buyer to fulfill its obligations under this Agreement and COBRA.

(g) Buyer may instruct Sellers that the payroll tax reporting obligations of the Transferred Employees shall be treated in accordance with the alternate procedure of Section 5 of Revenue Procedure 2004-53.

Section 6.5 Offer of Employment; Cooperation.

(a) After the Benefits TSA Expiration Date, Buyer shall, and shall cause its Affiliates to, reasonably cooperate with Sellers to provide such current information regarding the Transferred Employees on an ongoing basis as may be necessary to facilitate determinations of eligibility for, and payments of benefits to, the Transferred Employees under any applicable employee benefit that continues to be maintained by Sellers or its Affiliates. Without limiting the terms of Section 6.2, Buyer shall, and shall cause its Affiliates to, permit Transferred Employees to provide such assistance to Sellers as may be reasonably required in respect of claims against Sellers or its Affiliates, whether asserted or threatened, to the extent that, in Sellers' opinion, (i) a Transferred Employee has knowledge of relevant facts or issues or (ii) a Transferred Employee's assistance is reasonably necessary in respect of any such claim.

(b) Sellers will have the sole and absolute responsibility for any financial or other commitments to their current or former employees for the period ending on the Closing Date, including any and all claims or obligations for severance pay and any and all claims and obligations arising under any collective bargaining agreement, employment agreements, employee benefit plan (including, any withdrawal Liability) or any local, state or federal Law, rule or regulation (including, the WARN Act). Other than as set forth in Section 6.4(a) or the Benefits TSA, Buyer shall have no contractual or other obligation with respect to hiring, offering to hire or employing any of Sellers' employees, and in no event shall Buyer be obligated to commit to any particular usage of employees or to any particular benefits or wage rates. Nothing contained herein shall be deemed an admission that Sellers have any financial obligation to employees or that obligations, if any, are entitled to a particular treatment or priority under the Bankruptcy Code. Sellers' failure to

pay an obligation, if any, under this Section 6.5 shall not be a default or breach under this Agreement. Sellers shall send WARN Act notices to the Covered Employees who would be entitled to receive such a notice under the WARN Act no later than one day following Petition Date and each Seller agrees to send any additional or supplemental WARN Act notices to the extent reasonably requested by Buyer in writing during the period from the date hereof through the Benefits TSA Expiration Date.

(c) No Third Party Beneficiary Rights. Without limiting the generality of Section 6.4 above or this Section 6.5, no provision of this Agreement shall create any third party beneficiary rights in any current or former employee or service provider of any Sellers, any Covered Employee or Transferred Employee (including any beneficiary or dependent thereof) in respect of continued employment by the Sellers or its Affiliates or Buyer or its Affiliates or otherwise. Nothing herein shall (i) guarantee employment for any period of time or preclude the ability of Buyer or any of its Affiliates to terminate any Transferred Employee for any reason, (ii) require Buyer or any of its Affiliates to continue any Company Benefit Plans, employee benefit plans or arrangements or prevent the amendment, modification or termination thereof after the Closing, or (iii) constitute an amendment to any Company Benefit Plan, employee benefit plans or arrangements.

Section 6.6 Certain Tax Matters.

(a) Transfer Taxes. Buyer, shall be responsible for and shall pay all stamp, documentary, filing, recording, registration, sales, use, transfer, added-value or other non-income Tax, fee or governmental charge (a "Transfer Tax") imposed under applicable Law in connection with the transactions contemplated hereby. The Party that is required by applicable Law to file any Tax Returns in connection with Transfer Taxes described in the immediately preceding sentence shall prepare and timely file such Tax Returns. Accordingly, if any Seller is required by applicable Law to pay any such Transfer Taxes, Buyer shall promptly reimburse such Seller for the amount of such Transfer Taxes required to be borne by such Seller (including the cost associated with preparing and filing any such Tax Returns). The Parties hereto shall cooperate to permit the filing Party to prepare and timely file any such Tax Returns.

(b) Tax Returns. Except as otherwise provided with respect to Transfer Taxes in Section 6.6(a), from and after the Closing, the applicable Seller, at its sole cost and expense, shall file (or cause to be filed) all Tax Returns with respect to any Retained Tax, and Buyer, at its sole cost and expense, shall file (or caused to be filed) all Tax Returns with respect to any Assumed Tax. To the extent any Tax Return required to be filed after the Closing Date is with respect to an Acquired Asset and is for a Straddle Period, Buyer, at its sole cost and expenses, shall file (or caused to be filed) such Tax Return, consistently with the past practices and procedures of Sellers to the extent it would affect any Retained Tax, unless otherwise required by applicable Law.

(c) Tax Refunds. All refunds for Taxes for any Retained Tax shall be for the sole benefit of Sellers and to the extent that Buyer (or any Affiliate thereof) receives a refund of any Retained Tax, Buyer shall promptly pay such refund (without interest, other than interest received from the applicable Governmental Authority, and net of any Taxes

or other reasonable third-party out-of-pocket expenses incurred by Buyer in connection with the receipt of such refund) to Sellers. All refunds for Taxes relating to the Assumed Taxes shall be for the sole benefit of Buyer and to the extent that any Seller or any of its Affiliates receives a refund for a Tax that is for the benefit of Buyer, Sellers shall promptly pay such refund (without interest, other than interest received from the applicable Governmental Authority, and net of any Taxes or other reasonable third party out-of-pocket expenses incurred by Sellers in connection with the receipt of such refund) to Buyer.

(d) Cooperation. Prior to the liquidation of the Sellers, Buyer and Sellers shall reasonably cooperate (i) in the preparation and timely filing of any Tax Return relating to the Business, the Acquired Assets, or the Assumed Liabilities; (ii) in any audit or other proceeding with respect to Taxes or Tax Returns relating to the Business, the Acquired Assets, or the Assumed Liabilities; (iii) make available any information, records, or other documents relating to any Taxes or Tax Returns relating to the Business, the Acquired Assets, or the Assumed Liabilities; and (iv) provide certificates or forms, and timely execute any Tax Return, that are necessary or appropriate to establish an exemption for (or reduction in) any Transfer Tax.

(e) Tax Proceedings. Sellers, at their sole cost and expense, shall control any audits or other proceedings relating to Retained Taxes. Buyer, at its sole cost and expense, shall control any audits or other proceedings relating to Assumed Taxes. Notwithstanding the foregoing, to the extent the audit or Tax proceeding relates to Taxes relating solely to Acquired Assets for a Straddle Period, Buyer, at its sole cost and expense, shall control such audit or Tax proceeding to the extent it could result in or could affect an Assumed Tax; provided that Buyer shall keep Sellers reasonably informed regarding the status of such audit or Tax proceeding.

(f) Payment of Retained Taxes. Sellers shall use their respective commercially reasonable efforts to ensure that any Retained Taxes that the Sellers determine will be paid are in fact paid or caused to be paid.

(g) Tax Adjustments. Taxes (other than Transfer Taxes) imposed upon or assessed directly against the Acquired Assets or other assets treated as having been acquired by Buyer or another person pursuant to this Agreement (including real estate taxes (other than those subsumed in Section 2.7), personal property taxes and similar Taxes) for the tax period in which the Closing occurs (the "Proration Period") will be apportioned and prorated between Sellers and Buyer as of the Closing with Buyer bearing the expense of Buyer's proportionate share of such Taxes which shall be equal to the product obtained by multiplying (i) a fraction, the numerator being the amount of the Taxes and the denominator being the total number of days in the Proration Period, times (ii) the number of days in the Post-Closing Tax Period, and Sellers shall bear the remaining portion of such Taxes. If the precise amount of any such Tax cannot be ascertained at the Closing, apportionment and proration shall be computed on the basis of the amount payable for each respective item during the Tax period immediately preceding the Proration Period, using the apportionment method described in Section 2.9(c); provided, however, that there will be no re-apportionment or re-computation of such Taxes following the Closing as a result of any error, omission, recalculation or other change in any applicable Tax rate or otherwise. Any

refunds of such Taxes for a Proration Period shall be allocated between the Sellers and the Buyer in a manner consistent with this Section 6.6(g).

Section 6.7 Acknowledgements. Buyer acknowledges that it has received from Sellers certain projections, forecasts, and prospective or third party information relating to Sellers, the Stores, the Acquired Assets, the Assumed Liabilities, and other related topics. Buyer acknowledges that (i) there are uncertainties inherent in attempting to make such projections and forecasts and in such information; (ii) Buyer is familiar with such uncertainties and is taking responsibility for making its own evaluation of the adequacy and accuracy of all projections, forecasts, and information so furnished; and (iii) neither Buyer nor any other Person shall have any claim against any Seller or any of their respective Affiliates or any of their respective directors, officers, employees, stockholders, members, managers, partners, Affiliates, agents, or other Representatives with respect thereto. Accordingly, without limiting the generality of the immediately following sentence, Buyer acknowledges that none of the Sellers nor any other Person makes any representations or warranties with respect to such projections, forecasts, or information. Further, notwithstanding anything contained in this Section 6.7 or any other provision of this Agreement to the contrary, Buyer acknowledges and agrees, on its own behalf and on behalf of its Affiliates, and each of their respective Representatives, equityholders, employees, permitted successors and assigns (collectively, "Buyer Party Members"), that the representations and warranties made by the Sellers to Buyer in Article III (as qualified by the Disclosure Schedule) (the "Express Representations") are the sole and exclusive representations, warranties and statements of any kind made to Buyer or any Buyer Party Member on which Buyer or any Buyer Party Member may rely in connection with the transactions contemplated by this Agreement. Buyer acknowledges and agrees, on its own behalf and on behalf of the Buyer Party Members, that, other than solely to the extent expressly set forth in the Express Representations, all other representations or warranties of any kind or nature expressed or implied, whether in written, electronic or oral form, including with respect to (a) the completeness or accuracy of, or any omission to state or to disclose, any information, including in any meetings, calls or correspondence with management of the Sellers or any other Person on behalf of the Sellers or any of their respective Affiliates or Representatives and (b) any other representations or warranties relating to the historical, current or future business, financial condition, results of operations, assets, liabilities, properties, contracts, and prospects of the Sellers, their Subsidiaries, the Stores or the Business, or the quality, quantity or condition of the Acquired Assets or the Excluded Assets, are in each case specifically disclaimed by the Sellers and neither Buyer nor any Buyer Party Member has relied on any such representations or warranties. Buyer acknowledges, on its own behalf and on behalf of each Buyer Party Member, that it has conducted an investigation of the business, financial condition, results of operations, assets (including Acquired Assets), Liabilities (including Assumed Liabilities), properties, contracts and prospects of Sellers and the Business, and, in making its determination to proceed with the transactions contemplated by this Agreement, Buyer has not relied on, is not relying on, and will not rely on, any Seller, any Subsidiary of any Seller, or any information, statements, disclosures, documents, projections, forecasts or other materials made available to Buyer or any Buyer Party Members, in each case, whether written or oral, made or provided by the Sellers, their Subsidiaries or any of their respective Affiliates or Representatives, other than as expressly set forth in the Express Representations. WITHOUT LIMITING THE REPRESENTATIONS AND WARRANTIES MADE BY THE PARTIES IN THIS AGREEMENT, BUYER FURTHER ACKNOWLEDGES THAT, SHOULD THE CLOSING OCCUR, BUYER WILL ACQUIRE THE ACQUIRED ASSETS AND ASSUME

THE ASSUMED LIABILITIES IN AN "AS IS" CONDITION AND ON A "WHERE IS" BASIS, WITHOUT ANY REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED (INCLUDING ANY WITH RESPECT TO ENVIRONMENTAL, HEALTH OR SAFETY MATTERS); PROVIDED, THAT NOTHING IN THIS AGREEMENT SHALL LIMIT ANY PARTY'S LIABILITY FOR FRAUD WITH RESPECT TO THE REPRESENTATIONS AND WARRANTIES MADE BY SUCH PARTY IN THIS AGREEMENT.

Section 6.8 Press Releases and Public Announcements. Promptly following the Closing, the Parties shall issue an initial press release concerning this Agreement and the transactions contemplated hereby in form and substance reasonably acceptable to Sellers and Buyer. Thereafter, no Party shall issue any press release or make any public announcement relating to the existence or subject matter of this Agreement without the prior written approval of the other Parties, unless (a) a press release or public announcement is required by applicable Law or a Decree of the Bankruptcy Court or (b) such press release or public announcement is consistent with press releases or public statements previously made in accordance with this Section 6.8. If any such announcement or other disclosure is required by applicable Law or a Decree of the Bankruptcy Court, the disclosing Party shall give the nondisclosing Parties prior notice of, and an opportunity to comment on, the proposed disclosure. The Parties acknowledge that Sellers shall file this Agreement with the Bankruptcy Court in connection with obtaining the Sale Order.

Section 6.9 Personally Identifiable Information.

(a) Buyer acknowledges that the Acquired Assets include "personally identifiable information" within the meaning of section 363(b) of the Bankruptcy Code, along with associated information about Sellers' customers.

(b) Buyer shall: (i) employ appropriate security controls and procedures (technical, operational, and managerial) to protect the Customer Information; (ii) abide by all applicable Laws and regulations with respect to the Customer Information; and (iii) take any such actions as may be agreed between Sellers and Buyer.

(c) Buyer shall honor all prior requests by any individual who has opted out of receiving marketing messages from Sellers.

(d) Buyer may use the Customer Information solely for the purpose of continuing Sellers' Business operations and continuing to provide similar goods and services to individuals.

Section 6.10 No Successor Liability. The Parties intend that upon the Closing the Buyer and their respective Affiliates shall not and shall not be deemed to: (a) be a successor (or other such similarly situated party), or otherwise be deemed a successor, to Sellers, including, a "successor employer" for the purposes of the IRC, the Employee Retirement Income Security Act of 1974, or other applicable Laws; (b) have any responsibility or Liability for any obligations of Sellers, or any Affiliate of Sellers based on any theory of successor or similar theories of Liability; (c) have, de facto or otherwise, merged with or into any of Sellers; (d) be an alter ego or a mere continuation or substantial continuation of any of Sellers (and there is no continuity of enterprise between the Buyer and any Sellers), including, within the meaning of any foreign, federal, state or

local revenue, pension, ERISA, COBRA, Tax, labor, employment, environmental, or other Law, rule or regulation (including filing requirements under any such Laws, rules or regulations), or under any products liability Law or doctrine with respect to Sellers' Liability under such Law, rule or regulation or doctrine; or (e) be holding itself out to the public as a continuation of any of Sellers or their respective estates. For the avoidance of doubt, notwithstanding the foregoing, Buyer will be responsible for COBRA Liabilities with respect to M&A Qualified Beneficiaries on and after the Benefits TSA Expiration Date (or such earlier date as may be mutually agreed) and will be a successor employer for purposes of COBRA pursuant to the Benefits TSA upon and following the termination of Sellers' group health plans.

Section 6.11 [Reserved].

Section 6.12 Confirmation Order. Sellers shall not propose, file, support, pursue or seek entry of, or aid in another party proposing, filing, supporting, pursuing or seeking entry of, an order confirming a chapter 11 plan that adversely impacts Buyer's rights hereunder without Buyer's prior written consent. For the avoidance of doubt, notwithstanding any other provision of this Agreement, this Section 6.12 shall survive the Closing.

Section 6.13 Store Closings. During the Designation Rights Period, Buyer, in its sole discretion, may determine to close and wind down certain Stores ("Store Closings") and conduct "store closing" or other similarly themed sales (but for the avoidance of doubt, not "going out of business" or similarly themed sales) (the "Closing Sales") for certain of the Stores (including all Stores subject to Leases that Buyer elects to reject in accordance with the terms hereof) at Buyer's sole cost and expense. Subject to compliance with any applicable orders of the Bankruptcy Court relating to and authorizing Buyer, as Sellers' designee, to conduct such Closing Sales and Store Closings, Buyer shall conduct and implement (at no cost to Sellers), and may retain and appoint any agents or third parties to conduct and implement, the Closing Sales and Store Closings. The Sale Order shall include streamlined procedures for the Store Closings and Closing Sales including (i) provisions relating to the marketing and advertising of Store Closings and Closing Sales, (ii) authority to deviate from certain applicable licensing or other requirements governing the conduct of store closing, liquidation, inventory clearance sales or other liquidations sales Laws and to establish provisions for orderly dispute resolutions with any governmental units, (iii) a waiver of any contractual restrictions that could otherwise inhibit or prevent the Buyer from advertising and conducting a Store Closing and Closing Sales, including the waiver of certain provisions in Designated Leases containing covenants, conditions, and restrictions (including "go dark" provisions and landlord recapture rights), or other similar documents or provisions, and (iv) a prohibition on the ability of any entity, including utilities, landlords, shopping center managers and personnel, creditors, and all persons acting for or on their behalf, from interfering with or otherwise impeding the conduct of the Store Closings and the Closing Sales. For the avoidance of doubt, Buyer shall (i) pay all costs incurred post-Closing in connection with the Store Closings as and when such costs come due and are payable, and shall be solely liable for, and shall indemnify and defend Sellers from, any and all Liabilities of any kind or nature arising in connection with the Store Closing, other than Liabilities resulting from the gross negligence or willful misconduct of any Seller or any of its Related Parties and (ii) retain any and all proceeds from, the Closing Sales and Store Closings.

Section 6.14 License Back. During the Designation Rights Period, Sellers may determine to conduct Store Closings and conduct "store closing," "everything must go," "sale on everything" or similarly themed sales for such Stores at Sellers' sole cost and expense; provided, that Sellers shall not conduct any "liquidation" sales or use "brand sale", "going out of business", "out of business", "going out of business sale", "we quit", "quitting business", "everything must go", "liquidation/liquidating" or similar language with respect to any sales. Effective as of the Closing Date, Buyer hereby grants to Sellers a non-exclusive, limited, royalty-free, fully paid-up, non-transferable, terminable (solely for breach of the terms set forth in this Section 6.14), right and license to (a) use and exploit the Transferred Intellectual Property solely in connection with the sales at the Closing Stores as described in Section 5.2(b)(viii) and any other sales permitted pursuant to the first sentence of this Section 6.14 until the earlier of (i) such time as the last Closing Store has been closed or other sale permitted pursuant to the first sentence of this Section 6.14 has been completed and (ii) November 1, 2020 and (b) use the Transferred Trademarks in the corporate names of the Sellers solely to the extent such Trademarks are used in such corporate names as of the date of this Agreement and provided that Sellers shall cease such use as promptly as possible after the last Closing Store has been closed (and in any event no later than November 1, 2020), by either changing such corporate names to names that do not use any Transferred Trademarks or any trademarks confusingly similar thereto or ceasing such use as a result of the dissolution of any of the Sellers. Any and all use of the Transferred Intellectual Property by Sellers shall be consistent with the manner in which such Transferred Intellectual Property is used as of the date of this Agreement and any and all goods and services sold under the Transferred Intellectual Property shall comply with the quality control and quality standards in effect as of the date of this Agreement. For purposes of this Section 6.14, and anything herein to the contrary notwithstanding, association of a Transferred Trademark with the Bankruptcy Cases or sales at the Closing Stores as described in Section 5.2(b)(viii) shall not be considered to be an impairment to the value or goodwill thereof, and use of any Transferred Intellectual Property for the sales at the Closing Stores as described in Section 5.2(b)(viii) shall not be considered to be inconsistent with the use of such Transferred Intellectual Property prior to the date of this Agreement. As soon as reasonably practicable, but in no event more than five (5) Business Days after the Closing, Sellers shall cause the Lucky Brand Foundation to take all actions necessary to change its legal, registered, assumed, trade and "doing business as" name, as applicable, to a name or names not containing "Lucky Brand" or any name confusingly similar to the foregoing and will cause to be filed as soon as practicable after the Closing, in all jurisdictions in which the Lucky Brand Foundation is qualified to do business, any documents necessary to reflect such change in its legal, registered, assumed, trade and "doing business as" name, as applicable, or to terminate its qualification therein. Sellers further agree, from and after the Closing, to cause the Lucky Brand Foundation to cease to make any use of the name "Lucky Brand" and any similar names indicating affiliation with the Buyer, any of its Affiliates, the Business or the Acquired Assets.

ARTICLE VII
CONDITIONS TO OBLIGATION TO CLOSE

Section 7.1 Conditions to Buyer's Obligations. Buyer's obligation to consummate the purchase of the Acquired Assets and the assumption of the Assumed Liabilities is subject to satisfaction or waiver by Buyer of the following conditions:

(a) (i) The representations and warranties of Sellers set forth in Section 3.1 (Organization of Sellers; Good Standing), Section 3.2 (Authorization of Transaction), Section 3.3(a) (Noncontravention; Government Filings), and Section 3.9 (Brokers' Fees) (the "Seller Fundamental Representations") shall be true and correct in all respects as of the date hereof and as of the Closing Date, as though made at and as of the Closing Date, except to the extent any such Seller Fundamental Representations expressly relate to an earlier time (in which case such Seller Fundamental Representations shall be true and correct in all respects at and as of such earlier time), (ii) the representations and warranties of Sellers set forth in Section 3.4(a) (Title to Assets), shall be true and correct in all respects (other than de minimis inaccuracies) as of the date hereof and as of the Closing Date, as though made at and as of the Closing Date, except to the extent any such representations and warranties expressly relate to an earlier time (in which case such representations and warranties shall be true and correct in all respects (other than de minimis inaccuracies) at and as of such earlier time), and (iii) all representations and warranties of the Sellers in this Agreement (other than the Seller Fundamental Representations and the representations and warranties of Sellers set forth in Section 3.4(a)) shall be true and correct, without regard to any qualifications as to "material", "materiality", or "Material Adverse Effect" (or any correlative terms), as of the date hereof and as of the Closing Date, as though made at and as of the Closing Date, except to the extent such representations and warranties expressly relate to an earlier time (in which case such representations and warranties shall be true and correct at and as of such earlier time), except where the failure of such representations and warranties to be true and correct has not had, and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect;

(b) Sellers shall have performed and complied in all material respects with the obligations and covenants required by this Agreement to be performed or complied with by Sellers at or prior to the Closing;

(c) Since the date of this Agreement, there shall not have occurred any event, change, occurrence or effect that, individually or together with all other events, changes, occurrences or effects, has had, or would reasonably be expected to have, a Material Adverse Effect;

(d) Buyer shall have received a certificate, dated as of the Closing Date and executed by an executive officer authorized to sign on behalf of the Sellers, stating that the conditions specified in Section 7.1(a), Section 7.1(b), and Section 7.1(c) have been satisfied;

(e) The Bankruptcy Court shall have entered the Sale Order and no order staying, reversing, modifying or amending the Sale Order shall be in effect on the Closing Date;

(f) Any waiting period (including any extension thereof) or approvals applicable to the consummation of the transaction contemplated by this Agreement under the HSR Act have been granted or deemed to have been granted, if applicable, shall have expired, been terminated, been granted, or deemed to have been granted;

(g) No material Decree shall be in effect that prohibits consummation of the transactions contemplated by this Agreement;

(h) Each delivery contemplated by Section 2.5(c) to be delivered to Buyer shall have been delivered; and

(i) Subject to Section 8.1(n), Buyer shall have obtained the proceeds from the Debt Financing in full.

Section 7.2 Conditions to Sellers' Obligations. Sellers' obligations to consummate the sale of the Acquired Assets and the transfer of the Assumed Liabilities are subject to satisfaction or waiver by the Sellers of the following conditions:

(a) (i) The representations and warranties of Buyer set forth in Section 4.1 (Organization of Buyer; Good Standing), Section 4.2 (Authorization of Transaction), Section 4.5 (Brokers' Fees) and Section 4.6 (Sufficient Funds; Adequate Assurances) (the "Buyer Fundamental Representations") shall be true and correct in all respects as of the date hereof and as of the Closing Date, as though made at and as of the Closing Date, except to the extent any such Buyer Fundamental Representations expressly relate to an earlier time (in which case such Buyer Fundamental Representations shall be true and correct in all respects at and as of such earlier time), and (ii) the representations and warranties of Buyer made in this Agreement shall (other than the Buyer Fundamental Representations) be true and correct in all respects as of the date hereof and as of the Closing Date as though made at and as of the Closing Date, except to the extent such representations and warranties expressly relate to an earlier time (in which case such representations and warranties shall be true and correct at and as of such earlier time), in each case except for such failure to be so true and correct that, individually or in the aggregate, have not had, and would not reasonably be expected to have, a material adverse effect on the ability of Buyer to consummate the transactions contemplated by this Agreement;

(b) Buyer shall have performed and complied in all material respects with the obligations and covenants required by this Agreement to be performed or complied with by Buyer at or prior to the Closing;

(c) Sellers shall have received a certificate, dated as of the Closing Date and executed by an executive officer authorized to sign on behalf of Buyer, stating that the conditions specified in Section 7.2(a) and Section 7.2(b) have been satisfied;

(d) The Bankruptcy Court shall have entered the Sale Order, and no order staying, reversing, modifying, or amending the Sale Order shall be in effect on the Closing Date;

(e) Any waiting period (including any extension thereof) or approvals applicable to the consummation of the transaction contemplated by this Agreement under the HSR Act have been granted or deemed to have been granted, if applicable, shall have expired, been terminated, been granted, or deemed to have been granted;

(f) No material Decree shall be in effect that prohibits consummation of any of the transactions contemplated by this Agreement; and

(g) Each delivery contemplated by Section 2.5(d) to be delivered to Sellers shall have been delivered.

Section 7.3 No Frustration of Closing Conditions. Neither Buyer nor Sellers may rely on the failure of any condition set forth in this Article VII to be satisfied if such failure was caused by such Party's failure to act in good faith. Neither Buyer nor Sellers may rely on the failure of any condition to their respective obligations to consummate the transactions contemplated hereby set forth in this Article VII to be satisfied if such failure was primarily caused by such Party's or its Affiliates' failure to comply with the terms of this Agreement in all material respects.

ARTICLE VIII
TERMINATION

Section 8.1 Termination of Agreement. The Parties may terminate this Agreement at any time prior to the Closing as provided below:

(a) by the mutual written consent of the Parties;

(b) by any Party by giving written notice to the other Parties if:

(i) any court of competent jurisdiction or other competent Governmental Authority shall have enacted or issued a Law or Decree or taken any other action permanently restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated by this Agreement and such Law or Decree or other action shall have become final and non-appealable; provided, however, that the right to terminate this Agreement under this Section 8.1(b)(i) shall not be available to a Party if the failure to consummate the Closing because of such action by a Governmental Authority shall be due to the failure of such Party to have fulfilled, in any material respect, any of its obligations under this Agreement; or

(ii) the Closing shall not have occurred on or prior to August 31, 2020 (the "Outside Date").

(c) by Buyer by giving written notice to Sellers if there has been a breach by any Seller of any representation, warranty, covenant, or agreement contained in this Agreement that has prevented the satisfaction of the conditions to the obligations of Buyer at Closing set forth in Section 7.1(a), Section 7.1(b), or Section 7.1(c) and such breach has not been waived by Buyer, or, if such breach is curable, cured by such Seller prior to the earlier to occur of (A) fifteen (15) days after receipt of Buyer's notice of intent to terminate, and (B) one (1) Business Day prior to the Outside Date; provided that Buyer shall not have a right of termination pursuant to this Section 8.1(c) if Sellers could, at such time, terminate this Agreement pursuant to Section 8.1(d);

(d) by Sellers by giving written notice to Buyer if there has been a breach by Buyer of any representation, warranty, covenant, or agreement contained in this Agreement that has prevented the satisfaction of the conditions to the obligations of Sellers at Closing set forth in Section 7.2(a) or Section 7.2(b), and such breach has not been waived by Sellers, or, if such breach is curable, cured by Buyer prior to the earlier to occur of (A) fifteen (15) days after receipt of Sellers' notice of intent to terminate, and (B) one (1) Business Day prior to the Outside Date; provided that Sellers shall not have a right of termination pursuant to this Section 8.1(d) if Buyer could, at such time, terminate this Agreement pursuant to Section 8.1(c);

(e) by Sellers or Buyer, if (x) Sellers enter into a definitive agreement with respect to an Alternative Transaction with one or more Persons other than Buyer, or (y) the Bankruptcy Court enters an order approving an Alternative Transaction with one or more Persons other than Buyer;

(f) by Buyer, if Buyer is not the Successful Bidder at the Auction;

(g) by Sellers or Buyer, if the Bankruptcy Court enters a final, non-appealable order that precludes the consummation of the transactions contemplated hereby on the terms and conditions set forth in this Agreement;

(h) by Sellers or Buyer, if 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 the Sellers is appointed in the Bankruptcy Cases;

(i) by Buyer if Sellers withdraw or seek authority to withdraw the Bidding Procedures Motion;

(j) by Buyer if (i) following entry by the Bankruptcy Court of the Bidding Procedures Order, such order is (x) amended, modified or supplemented in an adverse way without Buyer's prior written consent or (y) voided, reversed or vacated or is subject to a stay, or (ii) following entry by the Bankruptcy Court of the Sale Order, the Sale Order is (x) amended, modified or supplemented in an adverse way without Buyer's prior written consent or (y) voided, reversed or vacated or is subject to a stay;

(k) by Buyer, if any of the Bankruptcy Court Milestones are not met;

(l) by Sellers if (i) all of the conditions set forth in Section 7.2 have been satisfied (other than conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions at the Closing) or waived in an irrevocable writing by Sellers, (ii) at or following the time at which the Closing was required to occur pursuant to Section 2.4, Sellers have irrevocably confirmed in writing to Buyer that Sellers are ready, willing, and able to consummate the Closing, and (iii) Buyer fails to consummate the Closing within three (3) Business Days of receipt of the writing described in clause (ii);

(m) by Sellers, if any Seller or the board of directors (or similar governing body) of any Seller, based on the advice of outside counsel, determines that proceeding with the transactions contemplated by this Agreement or failing to terminate this Agreement would be inconsistent with its or such Person's or body's fiduciary duties; and

(n) this Agreement shall terminate automatically and without requiring any further action by any Party in the event that Buyer fails to fully, irrevocably and unconditionally waive, by written notice to Sellers (such waiver to be effective automatically upon such delivery to Sellers), the condition set forth in Section 7.1(i) (the "Financing Contingency Waiver") prior to 11:59 p.m. Pacific Time on July 27, 2020 (the "Waiver Deadline").

Section 8.2 Effect of Termination.

(a) If this Agreement is terminated pursuant to Section 8.1, all rights and obligations of the Parties hereunder shall terminate upon such termination and shall become null and void (except that Article I, Section 2.3(b), Section 5.3(f), Article IX, and this Section 8.2 shall survive any such termination) and no Party shall have any Liability (except as set forth in Section 5.3(f)) to the other Parties hereunder; provided, however, that nothing in this Section 8.2 shall relieve any Party from Liability for any willful material breach occurring prior to any such termination set forth in this Agreement; provided, further, that the maximum Liability of Sellers under this Agreement shall be equal to the Expense Reimbursement and Break-Up Fee to the extent payable to Buyer; provided, further, that the maximum Liability of Buyer under this Agreement shall be equal to the Deposit to the extent payable to Sellers. For the avoidance of doubt, the Expense Reimbursement and the Break-Up Fee shall, if applicable, be paid upon termination of this Agreement in accordance with Section 5.3(f).

(b) Notwithstanding anything contained herein to the contrary, in the event that the Sellers terminate this Agreement pursuant to Section 8.1(d) or Section 8.1(l), the Deposit, together with all accrued investment income thereon, if any, shall be delivered to Sellers in accordance with Section 2.3(b)(ii) (within three (3) Business Days following the date of any such termination). The Sellers' receipt of the Deposit, together with all accrued investment income thereon, if any, shall constitute liquidated damages (and not a penalty) in a reasonable amount that will compensate Sellers in the circumstances in which this Agreement is terminated pursuant to Section 8.1(d), which amount would otherwise be impossible to calculate with precision, and be the sole and exclusive remedy (whether at law, in equity, in contract, in tort or otherwise) of Sellers against the Buyer, and any of its former, current, or future general or limited partners, stockholders, managers, members, directors, officers, Affiliates or agents for any loss suffered as a result of any breach of any covenant, representation, warranty or agreement in this Agreement by Buyer or the failure of the transactions contemplated hereby to be consummated, and upon payment of such amounts, none of Buyer nor any of its former, current, or future general or limited partners, stockholders, managers, members, directors, officers, Affiliates or agents shall have any further Liability or obligation relating to or arising out of this Agreement or the transactions contemplated hereby. In no event shall Buyer's Liability under this Agreement exceed an amount equal to the Deposit.

ARTICLE IX
MISCELLANEOUS

Section 9.1 Survival. Except for any covenant that by its terms is to be performed (in whole or in part) by any Party following the Closing, none of the representations, warranties, or covenants of any Party set forth in this Agreement or in any certificate delivered pursuant to Section 7.1(d) or Section 7.2(c) shall survive, and each of the same shall terminate and be of no further force or effect as of, the Closing. Any covenants or obligations hereunder to be performed from and after the Closing shall survive until completion in accordance with the terms thereof.

Section 9.2 Expenses. Except as provided in Section 5.3(f), each Party will bear its own costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby, including all fees of law firms, commercial banks, investment banks, accountants, public relations firms, experts and consultants. For the avoidance of doubt, Buyer shall pay all recording fees arising from the transfer of the Acquired Assets.

Section 9.3 Entire Agreement. This Agreement, the Related Agreements and the Confidentiality Agreement constitute the entire agreement between the Parties and supersede any prior understandings, agreements or representations (whether written or oral) by or between the Parties to the extent they relate in any way to the subject matter hereof.

Section 9.4 Incorporation of Exhibits and Disclosure Schedule. The Exhibits to this Agreement and the Disclosure Schedule are incorporated herein by reference and made a part hereof.

Section 9.5 Amendments and Waivers. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by the Sellers and the Buyer. No waiver of any breach of this Agreement shall be construed as an implied amendment or agreement to amend or modify any provision of this Agreement. No waiver by any Party of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, shall be valid unless the same shall be in writing and signed by the Party making such waiver, nor shall such waiver be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent default, misrepresentation or breach of warranty or covenant. No conditions, course of dealing or performance, understanding or agreement purporting to modify, vary, explain, or supplement the terms or conditions of this Agreement shall be binding unless this Agreement is amended or modified in writing pursuant to the first sentence of this Section 9.5 except as expressly provided herein. Except where a specific period for action or inaction is provided herein, no delay on the part of any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof.

Section 9.6 Succession and Assignment.

(a) This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. No Party may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written

consent of the other Parties. Notwithstanding the foregoing or anything in this Agreement to the contrary, Buyer may assign (in whole or in part) any of its rights, interests, or obligations hereunder to any other Person without the prior written consent of the other Parties; provided that such assignment shall not relieve Buyer of its obligations hereunder and such assignment does not prevent or materially hinder, impair or delay the consummation of the transactions contemplated hereby.

(b) In furtherance of the foregoing, Buyer may, without the consent of Sellers, designate, in accordance with the terms of this paragraph and effective as of the Closing, one or more Persons to acquire all, or any portion of, the Acquired Assets and assume all or any portion of the Assumed Liabilities or pay all or any portion of the Purchase Price; provided that Buyer shall designate IP Buyer (or its designee(s)) to acquire all of the Transferred Intellectual Property and pay a portion of the Purchase Price allocated by Buyer and such designee to the Transferred Intellectual Property (and, for the avoidance of doubt, Buyer will not receive "beneficial ownership" of the Transferred Intellectual Property pursuant to 16 CFR 801.1(c)); provided, further, that any such designation(s) do not prevent or materially hinder, impair or delay the consummation of the transactions contemplated hereby. The above designation may be made by Buyer by written notice to Sellers at any time prior to the Closing Date. The Parties agree to modify any Closing deliverables in accordance with the foregoing designation.

Section 9.7 Notices. All notices, requests, demands, claims and other communications hereunder shall be in writing except as expressly provided herein. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly given (a) when delivered personally to the recipient; (b) one (1) Business Day after being sent to the recipient by reputable overnight courier service (charges prepaid); (c) on the day such communication was received by e-mail; or (d) three (3) Business Days after being mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid, and addressed to the intended recipient as set forth below:

If to any Seller:

Lucky Brand Dungarees, LLC
540 S Santa Fe Avenue
Los Angeles, California 90013
Attention: Maryn Miller; Christopher Cansiani
E-mails: MMiller@luckybrand.com; CCansiani@luckybrand.com

With a copy (which shall not constitute notice to Sellers) to:

Latham & Watkins LLP
355 South Grand Avenue, Suite 100
Los Angeles, California 90071
Attention: Ted Dillman; Lisa Lansio; Sean Denvir
E-mails: Ted.Dillman@lw.com; Lisa.Lansio@lw.com;
Sean.Denvir@lw.com

If to Buyer:

SPARC Group LLC

c/o Simon Property Group
225 West Washington Street
Indianapolis, Indiana 46204
Attention: Stanley Shashoua; Steven Fivel, David Dick
E-Mail: SShashoua@simon.corn; SFivel@simon.com;
DDick@aeropostale.com

With a copy (which shall not constitute notice to Buyer) to:

Authentic Brands Group
1411 Broadway
New York, New York 10001
Attention: Jay Dubiner
E-mail: jdubiner@abg-nyc.com

and

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, New York 10016-6064
Attention: Edward T. Ackerman; Robert B. Schumer
E-mail: eackerman@paulweiss.com; rschumer@paulweiss.com

Any Party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other Parties notice in the manner set forth in this Section 9.7.

Section 9.8 Governing Law. This Agreement shall be governed by and construed in accordance with the internal Laws of the State of Delaware (without giving effect to the principles of conflict of Laws of any jurisdiction that would cause the application of the Law of a jurisdiction other than Delaware), except to the extent that the Laws of such state are superseded by the Bankruptcy Code.

Section 9.9 Submission to Jurisdiction; Service of Process. Each of the Parties irrevocably and unconditionally submits to the exclusive jurisdiction of the Bankruptcy Court in any Litigation arising out of or relating to this Agreement or any Related Agreement or the transactions contemplated hereby or thereby and agrees that all claims in respect of such Litigation may be heard and determined in any such court. Each Party also agrees not to (a) attempt to deny or defeat such exclusive jurisdiction by motion or other request for leave from the Bankruptcy Court or (b) bring any action or proceeding arising out of or relating to this Agreement or any Related Agreement or the transactions contemplated hereby or thereby in any other court. Each of the Parties irrevocably and unconditionally waives any objection to the laying of venue in, and any defense of inconvenient forum to the maintenance of, any Litigation so brought and waives any bond, surety or other security that might be required of any other Party with respect thereto. Any Party may make service on any other Party by sending or delivering a copy of the process to the Party to be served at the address and in the manner provided for the giving of notices in Section 9.7; provided, however, that nothing in this Section 9.9 shall affect the right of any Party to serve

legal process in any other manner permitted by law or in equity. Each Party agrees that a final judgment in any Litigation so brought shall be conclusive and may be enforced by Litigation or in any other manner provided by law or in equity. The Parties intend that all foreign jurisdictions will enforce any Decree of the Bankruptcy Court in any Litigation arising out of or relating to this Agreement or any Related Agreement or the transactions contemplated hereby or thereby.

Section 9.10 Waiver of Jury Trial. EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY RELATED AGREEMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

Section 9.11 Specific Performance. The Parties shall be entitled to an injunction or injunctions to enforce specifically the Parties' respective covenants and agreements under this Agreement, without the requirement of posting a bond or other security or making a showing of irreparable harm.

Section 9.12 Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provisions of this Agreement. In the event that any of the provisions of this Agreement shall be held by any Governmental Authority to be illegal, invalid or unenforceable, such provisions shall be limited or eliminated only to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect.

Section 9.13 No Third Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any Person other than Buyer, each Seller, and their respective successors and permitted assigns, except that any counterparty to a Released Action is hereby made an express third party beneficiary of Section 2.1(ii).

Section 9.14 Non-Recourse. All claims or causes of action (whether in contract or in tort, in law or in equity, or granted by statute) that may be based upon, in respect of, arise under, out or by reason of, be connected with, or related in any manner to this Agreement or the Related Agreements may be made only against (and are expressly limited to) the Persons that are expressly identified as parties hereto or thereto (the "Contracting Parties"). In no event shall any Contracting Party have any shared or vicarious Liability for the actions or omissions of any other Person. No Person who is not a Contracting Party, including any director, officer, employee, incorporator, member, partner, manager, stockholder, Affiliate, agent, attorney or representative of, and any financial advisor or lender to, any of the foregoing ("Non-Party Affiliates"), shall have any Liability (whether in contract or in tort, in law or in equity, or granted by statute or based upon any theory that seeks to impose Liability of an entity party against its owners or Affiliates) for any claims, causes of action, obligations or Liabilities arising under, out of, in connection with or related in any manner to this Agreement or the Related Agreements or based on, in respect of, or by reason of this Agreement or the Related Agreements or their negotiation, execution, performance or breach; and, to the maximum extent permitted by Law, each Contracting Party hereby knowingly and voluntarily waives and releases all such Liabilities, claims and obligations against any such Non-Party Affiliates. Without limiting the foregoing, to the maximum extent permitted by Law, (a) each Contracting Party hereby knowingly and voluntarily waives and

releases any and all rights, claims, demands, or causes of action that may otherwise be available at law or in equity, or granted by statute, to avoid or disregard the entity form of a Contracting Party or otherwise impose Liability of a Contracting Party on any Non-Party Affiliate, whether granted by statute or based on theories of equity, agency, control, instrumentality, alter ego, domination, sham, single business enterprise, piercing the veil, unfairness, undercapitalization, or otherwise; and (b) each Contracting Party disclaims any reliance upon any Non-Party Affiliates with respect to the performance of this Agreement or the Related Agreements or any representation or warranty made in, in connection with, or as an inducement to this Agreement or the Related Agreements.

Section 9.15 Mutual Drafting. 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 shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

Section 9.16 Disclosure Schedule. All capitalized terms not defined in the Disclosure Schedule shall have the meanings ascribed to them in this Agreement. The representations and warranties of Sellers in this Agreement are made and given, and the covenants are agreed to, subject to the disclosures and exceptions set forth in the Disclosure Schedule. The listing of any matter shall expressly not be deemed to constitute an admission by Sellers, or to otherwise imply, that any such matter is material, is required to be disclosed under this Agreement or falls within relevant minimum thresholds or materiality standards set forth in this Agreement. No disclosure in the Disclosure Schedule relating to any possible breach or violation of any Contract or Law shall be construed as an admission or indication that any such breach or violation exists or has actually occurred. In no event shall the listing of any matter in the Disclosure Schedule be deemed or interpreted to expand the scope of Sellers' representations, warranties, or covenants set forth in this Agreement. All attachments to the Disclosure Schedule are incorporated by reference into the applicable section of the Disclosure Schedule in which they are directly or indirectly referenced. The information contained in the Disclosure Schedule is in all respects provided subject to the Confidentiality Agreement.

Section 9.17 Headings; Table of Contents. The section headings and the table of contents contained in this Agreement and the Disclosure Schedule are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 9.18 Counterparts; Facsimile and Electronic Signatures. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. This Agreement or any counterpart may be executed and delivered by facsimile copies or delivered by electronic communications by portable document format (.pdf), each of which shall be deemed an original.

Section 9.19 No Right of Set-Off. Except for the Credit Bid, Buyer, on its own behalf and on behalf of the Buyer Party Members and its and their respective successors and permitted assigns, hereby waives any rights of set-off, netting, offset, recoupment, or similar rights that Buyer, any Buyer Party Member or any of its or their respective successors and permitted assigns has or may have with respect to the payment of the Purchase Price or any other payments

to be made by Buyer pursuant to this Agreement, any Related Agreement or any other document or instrument delivered by Buyer in connection herewith.

[*Remainder of page intentionally left blank.*]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

SELLERS:

Lucky Brand Dungarees, LLC

By: DocuSigned by: Christopher Cansiani 68DD916595724C8...
Name: Christopher Cansiani
Title: Chief Financial Officer

LBD Parent Holdings, LLC

By: DocuSigned by: Christopher Cansiani 68DD916595724C8...
Name: Christopher Cansiani
Title: Treasurer

LBD Intermediate Holdings, LLC

By: DocuSigned by: Christopher Cansiani 68DD916595724C8...
Name: Christopher Cansiani
Title: Treasurer

Lucky Brand Dungarees Stores, LLC

By: DocuSigned by: Christopher Cansiani 68DD916595724C8...
Name: Christopher Cansiani
Title: Chief Financial Officer

Lucky PR, LLC

By: DocuSigned by: Christopher Cansiani 68DD916595724C8...
Name: Christopher Cansiani
Title: President and Secretary

BUYER:

SPARC Group LLC

By: _____
Name: David Dick
Title: CFO

Exhibit B

Blackline

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	:	Chapter 11
Lucky Brand Dungarees, LLC, *et al.*, [1]	:	Case No. 20-11768 (CSS)
Debtors.	:	(Jointly Administered)
	:	**Re: Docket No. 15 & 251**

ORDER (A) APPROVING THE PURCHASE AGREEMENT; (B) APPROVING THE SALE TO THE BUYER OF THE ACQUIRED ASSETS OF THE DEBTORS PURSUANT TO SECTION 363 OF THE BANKRUPTCY CODE FREE AND CLEAR OF ALL LIENS, CLAIMS, INTERESTS, AND ENCUMBRANCES; (C) APPROVING THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES PURSUANT TO SECTION 365 OF THE BANKRUPTCY CODE; (D) AUTHORIZING THE DEBTORS TO CONSUMMATE TRANSACTIONS RELATED TO THE ABOVE; AND (E) GRANTING OTHER RELIEF

Upon the motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors"), pursuant to sections 105, 363, and 365 of title 11 of the United States Code (the "Bankruptcy Code"), Rules 2002, 6004, and 6006 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rules 6004-1 and 6006-1 of the Local Rules for the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), for an order authorizing and approving the proposed sale of the Acquired Assets and the assumption and assignment of certain executory contracts and unexpired leases of the Debtors in connection therewith (including pursuant to the designation rights set forth in Section 2.7 of the

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Lucky Brand Dungarees, LLC (3823), LBD Parent Holdings, LLC (4563), Lucky Brand Dungarees Stores, LLC (7295), Lucky PR, LLC (9578), and LBD Intermediate Holdings, LLC (7702). The Debtors' address is 540 S Santa Fe Avenue, Los Angeles, California 90013.

[2] Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Motion.

asset purchase agreement of the Successful Bidder, attached hereto as **Exhibit A** (the " Purchase Agreement") and the right to conduct Store Closings and Closing Sales (each as defined in the Purchase Agreement) set forth in Section 6.13 of the Purchase Agreement) on the terms set forth in the Purchase Agreement (collectively, the " Transactions"); and the Court having taken into consideration this Court's prior order, dated July 30, 2020 [Docket No. 251] (the " Bidding Procedures Order"), approving bidding procedures for the sale of the Acquired Assets (the " Bidding Procedures") and granting certain related relief; and SPARC Group, LLC (the " Buyer") having submitted the highest or best bid for the Acquired Assets, which was the Successful Bid (as defined in the Bidding Procedures) for the Acquired Assets; and this Court having conducted a hearing to consider the Transactions on August 12, 2020 (the " Sale Hearing"), at which all interested parties were offered an opportunity to be heard with respect to the Transactions; and this Court having reviewed and considered (i) the Motion and the exhibits thereto, (ii) the Purchase Agreement, by and between the Debtors and the Successful Bidder, whereby the Debtors have agreed, among other things, to sell the Acquired Assets to the Successful Bidder, including certain executory contracts and unexpired leases of the Debtors that will be assumed and assigned to Buyer (the " Assumed Contracts and Assumed Leases"), on the terms and conditions set forth in the Purchase Agreement and any ancillary or supplemental documents executed in connection therewith, (iii) the *Declaration of Eric Winthrop in Support of Motion of Debtors for Entry of Orders (I)(A) Approving Bidding Procedures for the Sale of the Debtors' Assets, (B) Approving Stalking Horse Protections, (C) Scheduling Auction for, and Hearing to Approve, Sale of the Debtors' Assets, (D) Approving Form and Manner of Notices of Sale, Auction and Sale Hearing, (E) Approving Assumption and Assignment Procedures, and (F) Granting Related Relief, and (II)(A) Approving Sale of the Debtors' Assets Free and Clear of All*

Liens, Claims, Interests, and Encumbrances, (B) Approving Assumption and Assignment of Executory Contracts and Unexpired Leases, and (C) Granting Related Relief [Docket No. 15] (the "Winthrop Declaration"), the *Declaration of Mark Renzi, Chief Restructuring Officer of the Debtors, in Support of Motion of Debtors for Entry of Orders (I)(A) Approving Bidding Procedures for the Sale of the Debtors' Assets, (B) Approving Stalking Horse Protections, (C) Scheduling Auction for, and Hearing to Approve, Sale of the Debtors' Assets, (D) Approving Form and Manner of Notices of Sale, Auction and Sale Hearing, (E) Approving Assumption and Assignment Procedures and (F) Granting Related Relief, and (II)(A) Approving Sale of the Debtors' Assets Free and Clear of All Liens, Claims, Interests and Encumbrances, (B) Approving Assumption and Assignment of Executory Contracts and Unexpired Leases, and (C) Granting Related Relief* [Docket No. 313] (the "Renzi Declaration"), the *Declaration of Alan Fragen, Independent Director of LBD Parent Holdings, LLC, in Support of Motion of Debtors for Entry of Orders (I)(A) Approving Bidding Procedures for the Sale of the Debtors' Assets, (B) Approving Stalking Horse Protections, (C) Scheduling Auction for, and Hearing to Approve, Sale of the Debtors' Assets, (D) Approving Form and Manner of Notices of Sale, Auction and Sale Hearing, (E) Approving Assumption and Assignment Procedures and (F) Granting Related Relief, and (II)(A) Approving Sale of the Debtors' Assets Free and Clear of All Liens, Claims, Interests and Encumbrances, (B) Approving Assumption and Assignment of Executory Contracts and Unexpired Leases, and (C) Granting Related Relief* [Docket No. 311] (the "Fragen Declaration"), the *Declaration of Jeff Branman in Support of Motion of Debtors for Entry of Orders (I)(A) Approving Bidding Procedures for the Sale of the Debtors' Assets, (B) Approving Stalking Horse Protections, (C) Scheduling Auction for, and Hearing to Approve, Sale of the Debtors' Assets, (D) Approving Form and Manner of Notices of Sale, Auction and Sale Hearing,*

(E) Approving Assumption and Assignment Procedures and (F) Granting Related Relief, and (II)(A) Approving Sale of the Debtors' Assets Free and Clear of All Liens, Claims, Interests and Encumbrances, (B) Approving Assumption and Assignment of Executory Contracts and Unexpired Leases, and (C) Granting Related Relief [Docket No. 335] (the "Branman Declaration"), and the *Declaration of Benjamin L. Nortman in Support of Motion of Debtors for Entry of Orders (I)(A) Approving Bidding Procedures for the Sale of the Debtors' Assets, (B) Approving Stalking Horse Protections, (C) Scheduling Auction for, and Hearing to Approve, Sale of the Debtors' Assets, (D) Approving Form and Manner of Notices of Sale, Auction and Sale Hearing, (E) Approving Assumption and Assignment Procedures and (F) Granting Related Relief, and (II)(A) Approving Sale of the Debtors' Assets Free and Clear of All Liens, Claims, Interests and Encumbrances, (B) Approving Assumption and Assignment of Executory Contracts and Unexpired Leases, and (C) Granting Related Relief* [Docket No. 321] (the "Nortman Declaration," and together with the Winthrop Declaration, the Renzi Declaration, the Fragen Declaration, the Branman Declaration, and the Nortman Declaration, the "Sale Declarations"), (iv) the *Debtors' Privacy Policies as of the Petition Date* [Docket No. 334], (v) the *Statement of the Official Committee of Unsecured Creditors in Support of the Debtors' Proposed Sale of Assets to the Stalking Horse Bidder* [Docket No. 322], (vi) the Debtors' omnibus response to certain objections~~, filed contemporaneously herewith~~ **[Docket No. 337]**, and (vii) the arguments of counsel made, and the evidence proffered and adduced, at the Sale Hearing; and due notice of the Motion and the form of this order (this "Sale Order") having been provided; and all objections to the Transactions and the Sale Order having been withdrawn, resolved, or overruled; and it appearing that the relief granted herein is in the best interests of the Debtors, their estates, creditors, and all parties in interest in these Chapter 11 Cases; and upon the record

of the Sale Hearing and these Chapter 11 Cases; and after due deliberation and sufficient cause appearing therefor, it is hereby

FOUND AND DETERMINED THAT:

A. **Fed. R. Bankr. P. 7052**. The findings and conclusions set forth herein constitute this Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052 made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent 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. **Jurisdiction and Venue**. This Court has jurisdiction to decide the Motion and approve the Transactions 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 as of February 29, 2012. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and the Court may enter a final order hereon under Article III of the U.S. Constitution. Venue of these Chapter 11 Cases and the Motion in this District is proper under 28 U.S.C. §§ 1408 and 1409.

C. **Statutory and Rule Predicates**. The statutory and other legal predicates for the relief granted herein are sections 105(a), 363, and 365 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 6006, and 9014, Local Rules 6004-1 and 6006-1.

D. **Opportunity to Object**. A fair and reasonable opportunity to object to, and be heard with respect to, the Motion and the Transactions has been given to all Persons entitled to notice pursuant to the Bidding Procedures Order, including, but not limited to, the following: (i) the U.S. Trustee, (ii) counsel to the Official Committee of Unsecured Creditors, Pachulski Stang Ziehl & Jones LLP, (iii) Choate Hall & Stewart LLP, counsel to Wells Fargo Bank, N.A., as administrative agent under the First Lien Credit Agreement, (iv) Greenberg Traurig, LLP,

counsel to Wells Fargo Bank, N.A., term agent under the First Lien Credit Agreement, (v) DLA Piper LLP (US), counsel to certain of the Second Lien Lenders, certain of the DIP Lenders, and the DIP Lender Representative, (vi) Paul, Weiss, Rifkind, Wharton & Garrison LLP, counsel to SPARC, (vii) Paul Hastings LLP, counsel to Hilco Merchant Resources LLC, (viii) Richards, Layton & Finger, PA, counsel to Clover Holdings II, LLC, (ix) Alston & Bird LLP, counsel to Wilmington Trust, N.A. as Second Lien Term Loan A Agent, (x) all potential buyers previously identified or solicited by the Debtors or their advisors and any additional parties who have expressed an interest to the Debtors or their advisors in potentially acquiring the Debtors' assets, (xi) the Banks, (xii) the Securities and Exchange Commission, (xiii) the United States Attorney's Office for the District of Delaware, (xiv) all non-Debtor parties to the Assumed Contracts **and Assumed Leases**, (xv) all applicable federal, state, and local taxing and regulatory authorities, (xvi) all known plaintiffs or co-defendants in civil litigation filed against the Debtors, or their counsel; (xvii) all known parties holding or asserting a lien or other security interest in the Debtors' assets, (xviii) all of the Debtors' known creditors, and (xix) any party that has requested notice pursuant to Bankruptcy Rule 2002. *See* Docket Nos. 127, 165, 180, 303, 304, and 305.

E. **Final Order**. This Sale Order constitutes a final order within the meaning of 28 U.S.C. § 158(a).

F. **Sound Business Purpose**. The Debtors have demonstrated good, sufficient, and sound business purposes and justifications for approval of the Purchase Agreement and Transactions and for entering into the Purchase Agreement. The Debtors' entry into and performance under the Purchase Agreement (i) constitutes a sound and reasonable exercise of the Debtors' business judgment; (ii) provides value to and is beneficial to the Debtors' estates,

and is in the best interests of the Debtors and their stakeholders; and (iii) is reasonable and appropriate under the circumstances. Business justifications for the Transactions include, but are not limited to, the following: (a) the Purchase Agreement constitutes the highest or best offer received for the Acquired Assets; (b) the Purchase Agreement presents the best opportunity to maximize the value of the Acquired Assets on a going concern basis and avoid decline and devaluation of the Acquired Assets; (c) unless the Transactions are concluded expeditiously, as provided for pursuant to the Purchase Agreement, certainty of consummating the Transactions will be compromised and recoveries to creditors may be materially diminished; and (d) the value of the Debtors' estates will be maximized through the sale of the Acquired Assets pursuant to the Purchase Agreement.

G. **Compliance with Bidding Procedures Order**. The Debtors and Buyer complied with the Bidding Procedures Order and the Bidding Procedures in all respects. Buyer was the Successful Bidder (as defined in the Bidding Procedures) for the Acquired Assets in accordance with the Bidding Procedures Order and Bidding Procedures.

H. **Credit Bid**.[3] Pursuant to the Bidding Procedures, applicable law, including Bankruptcy Code sections 363(b) and 363(k), and in accordance with the Final DIP Order (as defined below), the Second Lien Lenders were authorized to credit bid the obligations under the Second Lien Term Loan A Facility and the Second Lien Term Loan B Facility, as well as adequate protection obligations granted pursuant to the Final DIP Order (such obligations, collectively, the " Second Lien Obligations"), and the DIP Lenders were authorized to credit bid the DIP Obligations for the Acquired Assets. Pursuant to the *Letter Regarding Lender Direction*

[3] Capitalized terms used in this paragraph but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Final DIP Order.

under the Asset Purchase Agreement [Docket No. 248] and the *JV Side Letter* [Docket No. 321-1], the Second Lien Lenders committed to credit bidding Second Lien Obligations in the amount of $40,000,000 and arranged for the DIP Lenders to credit bid DIP Obligations in the amount of $11,500,000 (collectively, the "Credit Bid"), with the balance of the consideration for the Acquired Assets under the Purchase Agreement consisting of cash and the Buyer's assumption of the Assumed Liabilities. No additional or further evidence of the Buyer's ability to include the Credit Bid as consideration within the Purchase Agreement is required. The Credit Bid, plus the cash consideration and assumption of the Assumed Liabilities, was a valid and proper offer pursuant to the Bidding Procedures Order and Bankruptcy Code sections 363(b) and 363(k). There is no cause to limit the amount of the Credit Bid pursuant to section 363(k) of the Bankruptcy Code.

I. **Highest or Best Value**. The Debtors and their advisors, including Berkeley Research Group, LLC and Houlihan Lokey Capital, Inc., 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 pursuant to the Bidding Procedures Order and Bidding Procedures, and conducted a fair and open sale process. The Bidding Procedures Order, the Bidding Procedures, and the process utilized pursuant thereto were designed to obtain the highest or best value for the Acquired Assets for the Debtors and their estates, and any other transaction would not have yielded as favorable an economic result. The sale process and the Bidding Procedures were non-collusive, duly noticed, and provided a full, fair, and reasonable opportunity for any entity to make an offer to purchase the Acquired Assets.

J. No other person or entity or group of persons or entities has offered to purchase the Acquired Assets for an amount that would give an opportunity for equal or greater value to

the Debtors than the value provided by the Buyer pursuant to the Purchase Agreement. Execution of the Transactions is the best alternative available to the Debtors to maximize the return to their creditors and limit the losses to counterparties to the Assumed Contracts and Assumed Leases. No alternative to the Transactions exists that would provide a greater value to the Debtors, their creditors or other parties in interest.

K. The sale and assignment of the Acquired Assets outside of a plan of reorganization pursuant to the Purchase Agreement neither impermissibly restructures the rights of the Debtors' creditors nor impermissibly dictates the terms of any chapter 11 plan of the Debtors. Neither the Purchase Agreement nor the Transactions contemplated thereby constitutes a *sub rosa* chapter 11 plan.

L. **Fair Consideration**. The consideration to be paid by Buyer under the Purchase Agreement constitutes fair and reasonable consideration for the Acquired Assets.

M. **Good Faith**. The Purchase Agreement and each of the transactions contemplated therein were negotiated, proposed, and entered into by the Debtors and Buyer in good faith, without collusion, and from arms'-length bargaining positions. Buyer is a " good faith Buyer" within the meaning of section 363(m) of the Bankruptcy Code and, as such, is entitled to all the protections afforded thereby. Neither the Debtors nor Buyer have engaged in any conduct that would cause or permit the Purchase Agreement to be avoided or costs and damages to be imposed under section 363(n) of the Bankruptcy Code. The Purchase Agreement was not entered into for the purpose of hindering, delaying, or defrauding present or future creditors of the Debtors. Neither the Debtors nor the Buyer is entering into the Purchase Agreement, or proposing to consummate the Transactions, fraudulently, for the purpose of statutory and common law fraudulent conveyance and fraudulent transfer claims whether under the

Bankruptcy Code or under the laws of the United States, any state, territory, possession thereof, or the District of Columbia.

N. The sale of the Acquired Assets is consistent with the Debtors' policy concerning the transfer of personally identifiable information and the Debtors have, to the extent necessary, satisfied section 363(b)(1) of the Bankruptcy Code. Accordingly, appointment of a consumer ombudsman pursuant to section 363(b)(1) or section 332 of the Bankruptcy Code is not required with respect to the relief requested in the Motion.

O. **Notice**. As evidenced by the affidavits of service filed with this Court: (i) proper, timely, adequate, and sufficient notice of the Motion, the bidding process (including the deadline for submitting bids), the Sale Hearing, the Transactions, and the proposed Sale Order was provided by the Debtors to all interested parties; (ii) such notice was good, sufficient, and appropriate under the particular circumstances and complied with the Bidding Procedures Order, Bankruptcy Code sections 102(1) and 363(b), Bankruptcy Rules 2002, 6004, 6006, 9006, 9007, 9008, and 9014, Local Rules 6004-1 and 6006-1, and the procedural due process requirements of the United States Constitution; and (iii) no other or further notice of the Motion, the Transactions, the Bidding Procedures, the Sale Hearing, or the proposed Sale Order is required. *See* Docket Nos. 127, 165, 180, 303, and 304. With respect to Persons whose identities are not reasonably ascertained by the Debtors, publication of the notice in the National Edition of *The Wall Street Journal*, on August 4, 2020, was sufficient and reasonably calculated under the circumstances to reach such Persons. *See* Docket No. 305.

P. **Cure Notice**. As evidenced by the certificates of service filed with this Court, and in accordance with the provisions of the Bidding Procedures Order, the Debtors have served notice of the potential assumption and assignment of the Assumed Contracts and Assumed

Leases and of the related proposed Cure Costs (as defined below) upon each non-Debtor party to the Assumed Contracts and Assumed Leases (the "Cure Notice") and served a supplemental notice to the same parties that received the Cure Notice (the "Supplemental Notice to Contract Counterparties"). The service of the Cure Notice and the Supplemental Notice to Contract Counterparties was good, sufficient, and appropriate under the circumstances and no further notice need be given with respect to the proposed Cure Costs for the assumption and assignment of the Assumed Contracts and Assumed Leases. All non-Debtor parties to the Assumed Contracts and Assumed Leases have had a reasonable opportunity to object both to the proposed Cure Costs listed on the Cure Notice and to the assumption and assignment of the Assumed Contracts and Assumed Leases to Buyer. No defaults exist in the Debtors' performance under the Assumed Contracts and Assumed Leases (provided however that nothing in this Sale Order is making a determination as to any defaults or alleged defaults contained in any timely-filed objection as to Designated Contracts or Designated Leases, to the extent such objections have been continued for future adjudication to the extent necessary) as of the date of this Sale Order other than the failure to pay the Cure Costs or defaults that are not required to be cured.

Q. **Satisfaction of Section 363(f) Standards**. ~~The~~**Subject to paragraph 21 of this Sale Order, the** Debtors may sell the Acquired Assets free and clear of all liens, claims (including those that constitute a "claim" as defined in section 101(5) of the Bankruptcy Code), rights, liabilities, encumbrances and other interests of any kind or nature whatsoever against the Debtors or against the Acquired Assets arising prior to the Closing of the Transaction (collectively, "Claims"), including, without limitation, any debts arising under or out of, in connection with, or in any way relating to, any acts or omissions, obligations, demands, guaranties, rights, contractual commitments, restrictions, product liability claims, any and all

claims arising under state or federal antitrust laws, environmental liabilities (to the greatest extent allowed by applicable law), employee pension or benefit plan claims, multiemployer benefit plan claims, workers' compensation claims, retiree healthcare or life insurance claims or claims for taxes of or against the Debtors, and any derivative, vicarious, transferee or successor liability claims, rights or causes of action (whether in law or in equity, under any law, statute, rule or regulation of the United States, any state, territory, or possession thereof or the District of Columbia), whether arising prior to or subsequent to the commencement of these Chapter 11 Cases, whether known or unknown, and whether imposed by agreement, understanding, law, equity or otherwise arising under or out of, in connection with, or in any way related to the Debtors, the Debtors' interests in the Acquired Assets, the operation of the Debtors' business before the Closing (as defined below), or the transfer of the Debtors' interests in the Acquired Assets to Buyer, and all Excluded Liabilities (as defined in the Purchase Agreement), but excluding any Assumed Liabilities (as defined in the Purchase Agreement) and Permitted Post-Closing Liens (as defined in the Purchase Agreement), because, in each case, one or more of the standards set forth in section 363(f)(1)-(5) of the Bankruptcy Code have been satisfied. Those holders of Claims who did not object (or who ultimately withdrew their objections, if any) to the Transactions or the Motion are deemed to have consented pursuant to section 363(f)(2) of the Bankruptcy Code. Those holders of Claims who did object that have an interest in the Acquired Assets fall within one or more of the other subsections of section 363(f) of the Bankruptcy Code and are therefore adequately protected by having their Claims that constitute interests in the Acquired Assets attach solely to the proceeds of the Transactions ultimately attributable to the property in which they have an interest, in the same order of priority and with the same extent, validity, force, and effect that such holders had prior to the Transactions, subject

to any rights, claims, and defenses that the Debtors' estates and/or the Debtors, as applicable, may possess with respect thereto. All Persons having Claims of any kind or nature whatsoever against the Debtors or the Acquired Assets shall be forever barred, estopped, and permanently enjoined from pursuing or asserting such Claims against Buyer or any of its assets, property, Affiliates (including any Person who may at any time from the Agreement Date until the Closing serve as a director, officer, manager, employee or advisor of any Seller), successors, assigns, or the Acquired Assets.

R. Buyer would not have entered into the Purchase Agreement and would not consummate the transactions contemplated thereby, thus adversely affecting the Debtors and their estates and their creditors, if the sale of the Acquired Assets was not free and clear of all Claims, or if Buyer would, or in the future could, be liable for any such Claims.

S. The total consideration to be provided under the Purchase Agreement, reflects Buyer's reliance on the Sale Order to provide it with title to and possession of the Acquired Assets free and clear of all Claims.

T. **Payment in Full of First Lien Obligations.** On the Closing Date or as soon thereafter as practicable and no later than one (1) business day after, in accordance with section 4.6(b) of the *Final Order Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, 503, 507 and 552 (I) Authorizing the Debtors to (A) Obtain Postpetition Financing, and (B) Use Cash Collateral; (II) Granting Adequate Protection to the Prepetition Lenders; (III) Granting Liens and Superpriority Claims; (IV) Modifying the Automatic Stay; and (V) Granting Related Relief*, dated July 30, 2020 [Docket No. 246] (the " Final DIP Order"), the Buyer shall apply proceeds from the Transactions to cause the First Lien Obligations (as defined therein) to be Paid in Full (as defined therein).

U. **Wind-Down Funding**. In accordance with Section 5.10(g) of the Final DIP Order, proceeds from the Transactions shall be used to fund the Wind-Down Account (as defined in the Final DIP Order).

V. **Assumption and Assignment of Assumed Contracts and Assumed Leases**. The assumption and assignment of the Assumed Contracts and Assumed Leases, and the Buyer's designation rights with respect to Designated Contracts and Designated Leases (each, as defined in the Purchase Agreement) are integral to the Purchase Agreement, are in the best interests of the Debtors and their estates, and represent the valid and reasonable exercise of the Debtors' sound business judgment. Specifically, the designation rights and the assumption and assignment of the Assumed Contracts and Assumed Leases (i) are necessary to sell the Acquired Assets to Buyer; (ii) allow the Debtors to sell their business to Buyer as a going concern; (iii) limit the losses suffered by non-Debtor parties to the Assumed Contracts and Assumed Leases; and (iv) maximize the recoveries to other creditors of the Debtors by limiting the number and total asserted amount of claims against the Debtors' estates by avoiding the rejection of the Assumed Contracts and Assumed Leases.

W. With respect to each of the Assumed Contracts and Assumed Leases, the Debtors have met all of the requirements of section 365(b) of the Bankruptcy Code. The cure amounts required to be paid pursuant to Bankruptcy Code section 365(b), whether agreed upon or judicially resolved (the "Cure Costs"), are deemed to be the entire cure obligation due and owing under the Assumed Contracts and Assumed Leases under Bankruptcy Code section 365(b). Further, Buyer has provided adequate assurance of future performance under the Assumed Contracts and Assumed Leases in satisfaction of sections 365(b) and 365(f) of the Bankruptcy

Code. Accordingly, the Assumed Contracts and Assumed Leases may be assumed by the Debtors and assigned to Buyer as provided for in the Purchase Agreement and herein.

X. **Validity of Transfer**. The transfer of the Acquired Assets to Buyer in accordance with the Purchase Agreement will be a legal, valid, and effective transfer of the Acquired Assets, and will vest Buyer with all right, title, and interest of the Debtors in respect of the Acquired Assets, free and clear of all Claims (subject to paragraph 21 herein and other than the Assumed Liabilities and Permitted Post-Petition Liens). The consummation of the Transactions is legal, valid, and properly authorized under all applicable provisions of the Bankruptcy Code, including, without limitation, sections 105(a), 363(b), 363(f), 363(m), 365(b), and 365(f) of the Bankruptcy Code and all of the applicable requirements of such sections have been complied with in respect of the Transactions.

Y. Pursuant to the *LBD Parent Holdings, LLC Unanimous Written Consent of the Board in Lieu of a Meeting* dated July 3, 2020 [Docket No. 1] and the *LBD Parent Holdings, LLC Unanimous Written Consent of the Special Committee of the Board in Lieu of a Meeting*, dated July 3, 2020 [Docket No. 1], the Debtors (i) have full corporate power and authority to execute the Purchase Agreement and all other documents contemplated thereby, and the Transactions have been duly and validly authorized by all necessary corporate action of the Debtors; (ii) have all of the corporate power and authority necessary to consummate the transactions contemplated by the Purchase Agreement; and (iii) upon entry of this Sale Order, other than any consents identified in the Purchase Agreement (including with respect to antitrust or other regulatory matters), need no consent or approval from any other Person to consummate the Transactions.

Z. The Acquired Assets of the Debtors constitute property of their estates and good title is vested in the Debtors' estates within the meaning of section 541(a) of the Bankruptcy Code.

AA. The Purchase Agreement is a valid and lawful contract binding upon each of the signatories thereto and shall be enforceable pursuant to its terms. As noted in paragraph H above, the Second Lien Lenders have committed to the Credit Bid as set forth in the Purchase Agreement. The Purchase Agreement was not entered into for the purpose of hindering, delaying, or defrauding creditors under the Bankruptcy Code or under laws of the United States, any state, territory, possession, or the District of Columbia. This Sale Order, the Purchase Agreement, and, upon Closing, the Transactions, and the consummation thereof, shall be specifically enforceable against and binding upon (without posting any bond) the Buyer, the Debtors, any chapter 7 or chapter 11 trustee appointed in these Chapter 11 Cases, and shall not be subject to rejection or avoidance by the foregoing parties or any other Person.

BB. **Waiver of Bankruptcy Rules 6004(h) and 6006(d)**. The sale of the Acquired Assets must be approved and consummated promptly in order to preserve the value of the Acquired Assets. Therefore, time is of the essence in consummating the Transactions, and the Debtors and Buyer intend to close the Transactions as soon as reasonably practicable. The Debtors have demonstrated compelling circumstances and a good, sufficient, and sound business purpose and justification for the immediate approval and consummation of the Transactions as contemplated by the Purchase Agreement. Accordingly, there is sufficient cause to lift the stay contemplated by Bankruptcy Rules 6004(h) and 6006(d) with regards to the transactions contemplated by this Sale Order.

CC. **Legal and Factual Bases**. The legal and factual bases set forth in the Motion, the Sale Declarations, and at the Sale Hearing establish just cause for the relief granted herein.

NOW THEREFORE, IT IS ORDERED THAT:

1. **Motion is Granted**. The Motion and the relief requested therein is granted and approved as set forth herein.

2. **Objections Overruled**. All objections to the Motion or the relief requested therein that have not been withdrawn or otherwise resolved are hereby overruled on the merits and with prejudice. For the avoidance of doubt, this Sale Order shall not overrule any objections with respect to the Assumed Contracts and Assumed Leases (~~**provided however that**~~**and** nothing in this Sale Order is making a determination as to any timely-filed objections as to Designated Contracts or Designated Leases, to the extent such objections have been continued for future adjudication to the extent necessary) that have been set for or adjourned to a later date and not heard at the Sale Hearing, including certain objections concerning adequate assurance of future performance and/or proposed Cure Costs pursuant to the procedures set forth herein and in the Bidding Procedures Order.

3. **Notice.** Notice of the Sale Hearing was fair and equitable under the circumstances and complied in all respects with section 102(1) of the Bankruptcy Code and Bankruptcy Rules 2002, 6004, and 6006.

4. **Fair Purchase Price**. The consideration provided by Buyer under the Purchase Agreement is fair and reasonable and constitutes (i) reasonably equivalent value under the Bankruptcy Code, the Uniform Fraudulent Transfer Act or the Uniform Voidable Transactions Act; (ii) fair consideration under the Uniform Fraudulent Conveyance Act; and (iii) reasonably

equivalent value, fair consideration and fair value under any other applicable laws of the United States, any state, territory or possession or the District of Columbia.

5. **Approval of the Purchase Agreement**. The Purchase Agreement, including all transactions contemplated thereby and all of the terms and conditions thereof, is hereby approved in its entirety. The failure to specifically include or reference in this Sale Order any particular provisions of the Purchase Agreement, or any of the documents, agreements, or instruments related thereto and executed in connection therewith, shall not diminish or impair the effectiveness of such provisions, documents, agreements, or instruments, it being the intent of this Court that entry into the Purchase Agreement be authorized and approved in its entirety.

6. **Consummation of Transactions**. Pursuant to sections 105, 363, and 365 of the Bankruptcy Code, the Debtors, as well as their officers, employees, and agents, are authorized to execute, deliver, and perform their obligations under and comply with the terms of the Purchase Agreement and to consummate the Transactions, including by taking any and all actions as may be reasonably necessary or desirable to implement the Transactions and each of the transactions contemplated thereby or to otherwise effectuate the relief granted pursuant to this Sale Order.

7. The Debtors, their Affiliates, and 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 Purchase Agreement and to take all further actions as may be reasonably (i) requested by Buyer for the purpose of assigning, transferring, granting, conveying, and conferring to Buyer, or reducing to Buyer's possession, the Acquired Assets or (ii) necessary or appropriate to the performance of the obligations contemplated by the Purchase Agreement, all without further order of this Court.

8. All Persons that are currently in possession of some or all of the Acquired Assets are hereby directed to surrender possession of such Acquired Assets to Buyer as of the Closing.

9. Pursuant to this Sale Order and the Purchase Agreement, on the Closing Date, (a) the Buyer shall acquire the Purchased Actions as an Acquired Asset, and (b) the Released Actions shall be waived and released pursuant to the terms of Purchase Agreement. In accordance with section 4.6(b) of the Final DIP Order, on the Closing Date, the Buyer shall apply proceeds from the Transactions to cause the First Lien Obligations (as defined in the Final DIP Order) to be Paid in Full (as defined in the Final DIP Order). For the avoidance of doubt, any Purchased Action arising under Chapter 5 of the Bankruptcy Code against any customer, supplier, manufacturer, distributor, broker, landlord or vendor of any Seller or any other Person with whom any Seller has an ordinary course commercial relationship shall be a Released Action.

10. Each and every federal, state, local, or foreign government or governmental or regulatory authority, agency, board, bureau, commission, court, department, or other governmental entity is hereby authorized and directed to accept any and all documents and instruments reasonably necessary or appropriate to consummate the transactions contemplated by the Purchase Agreement.

11. Nothing in this Sale Order or the Purchase Agreement releases, nullifies, precludes, or enjoins the enforcement of any police or regulatory liability to a governmental unit that any entity would be subject to as the owner or operator of property after the Closing Date.

12. Without limiting the provisions of paragraph ~~12~~11 above, but subject to Bankruptcy Code section 525(a), no governmental unit may revoke or suspend any right, license, trademark or other permission relating to the use of the Acquired Assets of the Debtors sold,

transferred, or conveyed to the Buyer solely on account of the filing or pendency of these Chapter 11 Cases.

13. **Transfer of Assets Free and Clear**. Pursuant to sections 105(a), 363(b), 363(f), and 365 of the Bankruptcy Code, the Debtors are authorized to transfer the applicable Acquired Assets in accordance with the terms of the Purchase Agreement. Upon the Closing, such transfer shall: (i) be valid, legal, binding, and effective; (ii) vest Buyer with all right, title, and interest of the Debtors in respect of the Acquired Assets; and (iii) be free and clear of all Claims in accordance with section 363(f) of the Bankruptcy Code (subject to paragraph 21 herein and other than Assumed Liabilities and Permitted Post-Petition Liens), with all Claims that represent interests in the Acquired Assets to attach to the net proceeds of the Transactions, in the same amount and order of their priority, with the same extent, validity, force and effect which they have against the Acquired Assets, and subject to any rights, claims, and defenses that the Debtors' estates and/or the Debtors, as applicable, may possess with respect thereto.

14. **Injunction**. Except as otherwise provided in the Purchase Agreement or this Sale Order, all Persons (and their respective successors and assigns) including, without limitation, all debt holders, equity security holders, governmental, tax and regulatory authorities, lenders, employees, former employees, pension plans, multiemployer pension plans, labor unions, trade creditors, any holders of Claims against the Debtors arising from any state or federal antitrust laws, and any other creditors holding Claims against the Debtors, the Acquired Assets, or the Debtors' business are hereby forever barred, estopped, and permanently enjoined from asserting or pursuing such Claims against Buyer, its Affiliates (including any Person who may at any time from the Agreement Date until the Closing serve as a director, officer, manager, employee or advisor of any Seller), successors, or assigns, its property, or the Acquired Assets, including,

without limitation, by taking any of the following actions: (i) commencing or continuing in any manner any action or other proceeding against Buyer, its Affiliates, successors or assigns, assets, or properties; (ii) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or order against Buyer, its Affiliates, successors or assigns, assets, or properties; (iii) creating, perfecting, or enforcing any Claim against Buyer, its successors or assigns, assets, or properties; (iv) asserting a Claim as a setoff (except for setoffs exercised prior to the Petition Date) or right of subrogation of any kind against any obligation due Buyer or its successors or assigns; or (v) 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 the agreements or actions approved, contemplated or taken in respect thereof.

15. All Persons are hereby enjoined from taking any action that would interfere with or adversely affect the ability of the Debtors to transfer the Acquired Assets in accordance with the terms of the Purchase Agreement and this Sale Order. Except as otherwise provided in this Sale Order, following the Closing, no holder of any Claim shall interfere with Buyer's title to or use and enjoyment of the Acquired Assets or assert any claims against the Buyer based on or related to any such Claim or based on any actions the Debtors have taken or may take, or failed to take or may fail to take, in these Chapter 11 Cases. Except as set forth in the Purchase Agreement or the Benefits TSA (as defined in the Purchase Agreement), Buyer and its Affiliates (including any Person who may at any time from the Agreement Date until the Closing serve as a director, officer, manager, employee or advisor of any Seller), successors and assigns shall have no liability for any Claims, causes of action, obligations, demands, losses, claims, taxes, costs, and expenses of any kind, character, or nature whatsoever, whether known or unknown as of the Closing, now existing or hereafter arising, whether fixed or contingent, whether

derivatively, vicariously, as a transferee or successor or otherwise, of any kind, nature or character whatsoever relating to or arising from the Debtors, their estates, the Acquired Assets, or the Transactions, including with respect to: (i) any employment or labor agreements; (ii) any pension, welfare, compensation or other employee benefit plans, agreements, practices and programs, including, without limitation, any pension plan of or related to any of the Debtors or any Debtor's Affiliates or predecessors or any current or former employees of any of the foregoing, including, without limitation, the Company Benefit Plans (as defined in the Purchase Agreement) and any participation or other agreements related to the Company Benefit Plans, or the termination of any of the foregoing; (iii) the Debtors' business operations or the cessation thereof; (iv) any litigation involving one or more of the Debtors; (v) any employee, workers' compensation, occupational disease or unemployment or temporary disability related law, including, without limitation, claims that might otherwise arise under or pursuant to (a) the Employee Retirement Income Security Act of 1974, as amended, (b) the Fair Labor Standards Act, (c) Title VII of the Civil Rights Act of 1964, (d) the Federal Rehabilitation Act of 1973, (e) the National Labor Relations Act, (f) the Worker Adjustment and Retraining Notification Act of 1988, (g) the Age Discrimination and Employee Act of 1967 and Age Discrimination in Employment Act, as amended, (h) the Americans with Disabilities Act of 1990, (i) the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), (j) the Multiemployer Pension Plan Amendments Act of 1980, (k) state and local discrimination laws, (l) state and local unemployment compensation laws or any other similar state and local laws, (m) state workers' compensation laws or (n) any other state, local or federal employee benefit laws, regulations or rules or other state, local or federal laws, regulations or rules relating to, wages, benefits, employment or termination of employment with any or all Debtors or any predecessors;

(vi) any antitrust laws; (vii) any product liability or similar laws, whether state or federal or otherwise; (viii) to the greatest extent allowed by applicable law, any environmental laws, rules, or regulations, including, without limitation, under the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §§ 9601, et seq., or similar state statutes; (ix) any bulk sales or similar laws; (x) any federal, state, or local tax statutes, regulations, or ordinances, including, without limitation, the Internal Revenue Code of 1986, as amended; and (xi) any statute or theory of or related to successor liability, including the common law doctrine of *de facto* merger or successor or transferee liability, or successor-in-interest liability theory.

16. The entry of this Sale Order shall not effect any release of (i) any future or ongoing obligation(s) under the Purchase Agreement or this Sale Order, or (ii) any Person's rights, claims, causes of action, or remedies relating to the foregoing.

17. **General Assignment**. This Sale Order (i) shall be effective as a determination that, as of the Closing, the conveyances and transfers described herein and the Purchase Agreement have been effected and (ii) is and shall be binding upon and govern the acts of all Persons, including 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 that reflect that Buyer is the assignee and owner of the Acquired Assets free and clear of all Claims, 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 and directed to accept for filing any and all of the documents and instruments reasonably necessary or appropriate to consummate the transactions contemplated by the

Purchase Agreement. This Sale Order shall be construed and shall constitute for any and all purposes a full and complete general assignment, conveyance, and transfer of the Acquired Assets and/or a bill of sale or assignment transferring indefeasible title and interest in the Acquired Assets, including the Assumed Contracts and Assumed Leases, to the Buyer on the terms set forth in the Purchase Agreement.

18. **Release of Interests**. Except in the case of Permitted Post-Closing Liens, if any Person that has filed financing statements, mortgages, mechanic's liens, *lis pendens*, or other documents or agreements evidencing Claims, liens, interests, or encumbrances on, or claims against or interests in the Acquired Assets (including, for the avoidance of doubt, the Prepetition Agents, as such term is defined in the Final DIP Order) shall not have delivered to the Debtors prior to the Closing, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, or releases of all interests which the Person has with respect to the Acquired Assets, then with regard to the Acquired Assets that are purchased by Buyer pursuant to the Purchase Agreement and this Sale Order (i) the Debtors **or their designee** are hereby authorized to execute and file such statements, instruments, or releases on behalf of the Person with respect to the Acquired Assets and (ii) Buyer **or its designee** 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 Claims against the Acquired Assets. This Sale Order is deemed to be in recordable form sufficient to be placed in the filing or recording system of each and every federal, state, or local government agency, department, or office.

19. To the maximum extent available under applicable law and to the extent provided for under the Purchase Agreement, Buyer shall be authorized, as of the Closing, to operate under

any license, permit, registration, and governmental authorization or approval of the Debtors with respect to the Acquired Assets and, to the maximum extent available under applicable law and to the extent provided for under the Purchase Agreement, all such licenses, permits, registrations, and governmental authorizations and approvals are deemed to have been transferred to Buyer as of the Closing; *provided, however*, that, for the avoidance of doubt, nothing in this Sale Order or the Purchase Agreement shall authorize the transfer to the Buyer of any government-issued license, permit, or registration, or governmental authorization or approval, or the discontinuation of any obligation thereunder, without the Buyer's compliance with all applicable legal requirements and approvals under non-bankruptcy law governing such transfer. To the maximum extent available under applicable law, all existing licenses or permits applicable to the Debtors' business shall remain in place for Buyer's benefit until either new licenses and permits are obtained or existing licenses and permits are transferred in accordance with applicable administrative procedures. Nothing in this Order divests any tribunal of any jurisdiction it may have under police or regulatory law.

20. **No Successor or Other Derivative Liability**. By virtue of the Transactions, Buyer shall not be deemed to: (i) be a legal successor, or otherwise be deemed a successor to any of the Debtors (except as specifically provided in the Purchase Agreement with respect to COBRA obligations); (ii) have, *de facto* or otherwise, merged with or into any or all Debtors; or (iii) be a mere continuation or substantial continuation, or be holding itself out as a mere continuation, of any or all Debtors or their respective estates, or the enterprise or operations of any or all Debtors.

21. **Assumption and Assignment or Rejection of Assumed Contracts and Assumed Leases**. The Debtors are hereby authorized in accordance with sections 105(a) and

365 of the Bankruptcy Code to assume and assign the Assumed Contracts and Assumed Leases to Buyer free and clear of all Claims, and to execute and deliver to Buyer such documents or other instruments as may be reasonably necessary to assign and transfer the Assumed Contracts and Assumed Leases to Buyer, as provided in the Purchase Agreement. Upon the assumption and assignment to Buyer of such Assumed Contract or Assumed Lease at Closing or during the Designation Rights Period (as defined in the Purchase Agreement) in accordance with the Sale Order, and the payment of any applicable Cure Costs, Buyer shall succeed to the entirety of the Debtors' rights and obligations in respect of each Assumed Contract and Assumed Lease and, except as otherwise provided in the Purchase Agreement, pursuant to section 365(k) of the Bankruptcy Code the Debtors shall be relieved from any further liability with respect to such Assumed Contract or Assumed Lease. From and after the assumption and assignment to Buyer of such Assumed Contract or Assumed Lease at Closing or during the Designation Rights Period in accordance with this Sale Order, Buyer shall comply with the terms of each Assumed Contract and Assumed Lease in its entirety (as may be modified in any agreement with the applicable counterparty or landlord with respect to such assumption and assignment), including, without limitation, in the case of each Assumed Lease, any indemnification obligations expressly contained in such Assumed Lease (including with respect to third party claims asserted in connection with the Debtors' use and occupancy of the premises subject to such Assumed Lease with regard to events that occurred before the Closing or such later assumption and assignment to Buyer, but which were not known to the applicable landlord as of such date) and any accrued rent, common area maintenance, insurance, taxes, or similar charges billed expressly contained in such Assumed Lease that will come due after the Closing or the later assumption and assignment to Buyer of such Assumed Lease, as applicable, regardless of when accrued.

Nothing in the foregoing sentence shall limit the Debtors' obligations to the Buyer under the Purchase Agreement with respect to rent or other charges that accrue prior to the Closing. Nothing in this Order or the Purchase Agreement impairs, prejudices or modifies the terms or enforceability of guaranties provided by non-debtor parties to non-debtor counterparties to Assumed Leases.

22. At the Closing, the Debtors shall assume and assign to Buyer any Assumed Contract or Assumed Lease designated by the Buyer for assumption at the Closing pursuant to Section 2.7(a) of the Purchase Agreement, provided that either (a) the counterparty to such Assumed Contract or Assumed Lease has consented to such assumption and assignment, or (b)(i) such Assumed Contract or Assumed Lease was included in any Potential Assumption and Assignment Notice or Supplemental Assumption and Assignment Notice in accordance with the Bidding Procedures, (ii) the applicable deadlines to make Assumption and Assignment Objections and Supplemental Assumption and Assignment Objections with respect to such Assumed Contract or Assumed Lease have expired, and (iii) all timely Assumption and Assignment Objections and Supplemental Assumption and Assignment Objections with respect to such Assumed Contract or Assumed Lease have been resolved. Upon the Closing, the Debtors shall file a notice of sale closing indicating which Assumed Contracts and Assumed Leases shall be assumed and assigned to the Buyer at the Closing, and shall serve the same on the counterparty to each such Assumed Contract or Assumed Lease. Such notice shall serve as notice that such Assumed Contracts and Assumed Leases have actually been assumed and assigned, and such assumption and assignment shall be effective as of the Closing without further order of this Court, subject to payment of the Cure Costs in accordance with the

procedures set forth in paragraph 26 of the Bidding Procedures Order and paragraphs 21 and 24 herein.

23. During the Designation Rights Period, the Buyer may, in its sole discretion, designate a Designated Contract or Designated Lease that has not previously been assumed and assigned or rejected for assumption and assignment to Buyer or its designee by providing written notice to Sellers pursuant to Section 2.7(c) of the Purchase Agreement, provided that either (a) the counterparty to such Designated Contract or Designated Lease has consented to such assumption and assignment, or (b)(i) such Designated Contract or Designated Lease has been included in any Potential Assumption and Assignment Notice or Supplemental Assumption and Assignment Notice in accordance with the Bidding Procedures Order, (ii) the applicable deadlines to make Assumption and Assignment Objections and Supplemental Assumption and Assignment Objections with respect to such Designated Contract or Designated Lease have expired, and (iii) all timely Assumption and Assignment Objections and Supplemental Assumption and Assignment Objections with respect to such Designated Contract or Designated Lease have been resolved. For the avoidance of doubt, the Debtors may continue to serve Supplemental Assumption and Assignment Notices with respect to Designated Contracts and Designated Leases in accordance with the Bidding Procedures. For any Designated Contract or Designated Lease, which the Buyer directs the Debtors to assume and assign to the Buyer pursuant to the ~~foregoing sentence~~**terms of this paragraph**, the Debtors shall file a notice on the docket (the "Assumption Notice"), and ~~in the event~~**if** the applicable counterparty to a Designated Lease or Designated Contract (a "Designation Counterparty") requests ~~an~~**a supplemental** order approving such assumption ~~or~~**and** assignment ~~and assumption, an~~**, a proposed** order, identifying (x) with respect to a Designated Contract, the Designation

Counterparty and Contract, and the proposed assignee or (y) with respect to a Designated Lease, the Designation Counterparty, Lease, store number, the street address for the real property subject to such Designated Lease ~~and the proposed assignee Designated Contract. The~~. **Except where the Designation Counterparty has requested a supplemental order approving such assumption and assignment, the** Assumption **Notice** shall serve as notice that such Assumed Contracts and Assumed Leases have actually been assumed and assigned, and such assumption and assignment shall be effective as of the date of such filing without further order of this Court, subject to payment of undisputed Cure Costs in accordance with the procedures set forth paragraph 26 of the Bidding Procedures Order and paragraphs 21 and 24 herein. Nothing in this Sale Order shall extend or be deemed to extend the Designation Rights Period beyond any applicable deadline to assume or reject Contracts and Leases set forth in section 365(d)(4) of the Bankruptcy Code.

24. With respect to any timely filed Assumption and Assignment Objection or Supplemental Assumption and Assignment Objection regarding Cure Costs, that has not been previously resolved, the Debtors may assume and assign the Contract or Lease related to the disputed Cure Costs to the proposed assignee prior to resolution of such dispute provided that on the effective date of such assumption the proposed assignee pays the undisputed portion of such Cure Costs and reserves the disputed portion of such Cure Costs in cash in an escrow account, at the highest amount asserted, pending resolution of such Assumption and Assignment Objection. Any Assumption and Assignment Objection or Supplemental Assumption and Assignment Objection as to which the Debtors comply with the procedures of the foregoing sentence shall be deemed to have been resolved for purposes of paragraphs 21 and 22. Upon final resolution or adjudication of the disputed portion of the Cure Costs with respect to such Assumed Contract or

Assumed Lease, the proposed assignee shall pay the amount due to the applicable Counterparty within seven (7) calendar days, subject to reconciliation consistent with the obligations under the Purchase Agreement. For the avoidance of doubt, paragraph 26 of the Bidding Procedures Order sets forth the process for timely filing and, in the absence of a consensual resolution, adjudicating Supplemental Assumption and Assignment Objections.

25. All Cure Costs that have not been waived shall be determined in accordance with the Bidding Procedures Order and paid in accordance with the terms of the Purchase Agreement. Payment of the Cure Costs shall be in full satisfaction and cure of any and all monetary defaults under the Assumed Contracts and Assumed Leases for purposes of section 365 of the Bankruptcy Code, and upon such payment such Assumed Contracts and Assumed Leases shall be deemed to be in full force and effect, free of default for such purposes. As a condition to assumption and assignment, the Debtors shall pay the Cure Costs and shall cure any postpetition defaults that may have arisen prior to such assumption and assignment under any such Assumed Contract or Assumed Lease. As a further condition to assumption and assignment, the Debtors shall pay any amounts that have accrued and are payable postpetition prior to the assumption of any such Assumed Contract or Assumed Lease. Each non-Debtor party to an Assumed Contract or Assumed Lease is forever barred, estopped, and permanently enjoined from asserting against the Debtors or Buyer, their Affiliates, successors, or assigns, or the property of any of them, any default existing as of the date of the Sale Hearing if such default was not raised or asserted prior to or at the Sale Hearing.

26. To the extent a non-Debtor party to an Assumed Contract or Assumed Lease failed to timely object to proposed Cure Costs, such Cure Costs, as listed on Exhibit 1 to the Cure Notice or as modified pursuant to a Supplemental Assumption and Assignment Notice, has

been and shall be deemed to be finally determined and any such non-Debtor party shall be prohibited from challenging, objecting to, or denying the validity and finality of the Cure Costs at any time.

27. During the Designation Rights Period, the Buyer may, in its sole discretion, designate a Designated Contract or Designated Lease that has not previously been assumed and assigned or rejected for rejection by providing written notice to Sellers pursuant to Section 2.7(c) of the Purchase Agreement. For any such Designated Contract or Designated Lease to be rejected, the Debtors shall file a notice on the docket (the " Rejection Notice") and in the event the Designation Counterparty requests an order approving such rejection~~, an~~ **effective as of the Rejection Effective Date (as defined below), a proposed** order, identifying (i) with respect to a Designated Contract, the Designation Counterparty, and the proposed effective date of rejection, and the Designated Contract or (ii) with respect to a Designated Lease, the Designation Counterparty, the Designated Lease, store number and the street address for the real property subject to such Designated Lease, the proposed effective date of rejection, and the deadlines and procedures for filing objections to the Rejection Notice, which deadlines shall be no less than seven (7) calendar days from the filing of such Rejection Notice, and shall serve such Rejection Notice on the applicable Designation Counterparty by overnight delivery. ~~For~~**Except where the Designation Counterparty has requested an order approving such rejection effective as of the Rejection Effective Date, for** any Designated Contract or Designated Lease subject to a Rejection Notice, the rejection of such Designated Contract or Designated Lease shall be effective without further order of the Court pursuant to the terms of this Order as of: (i) for any Designated Contract, the date on which the Debtors file the applicable Rejection Notice with the Court (unless the applicable Designation Counterparty timely files and serves an objection as set

forth herein, in which case the Rejection Effective Date (as defined below) will be determined by further order of the Court or written agreement of the Debtors, the Buyer, and the Designation Counterparty); (ii) for any Designated Lease, the later of (a) the date on which the Debtors file the Rejection Notice with the Court (unless the applicable Designation Counterparty timely files and serves an objection as set forth herein, in which case the Rejection Effective Date will be determined by further order of the Court or written agreement of the Debtors, the Buyer, and the Designation Counterparty); and (b) the date the Debtors deliver possession of the premises subject to the Lease to the applicable landlord by delivering keys, key codes, and/or security codes, as applicable, to such landlord or, if not delivering such keys and codes, providing notice to the landlord that the landlord may re-let the premises; and (iii) for any Designated Contract or Designated Lease that is not assumed and assigned or rejected before the expiration of the Designation Rights Period, the date on which the Designation Rights Period expires (each of (i), (ii), and (iii) above and the date specified in a Consensual Rejection Notice, the "Rejection Effective Date"). **Where the Designation Counterparty has requested an order approving such rejection, such order shall be effective as of the Rejection Effective Date.**

28. Any Designated Contract or Designated Lease that is not assumed and assigned or rejected prior to the expiration of the Designation Rights Period shall be deemed rejected without further order of this Court on the date on which the Designation Rights Period expires, and in no event later than the date of entry of an order confirming a plan of liquidation, and the Debtors shall serve a notice of rejection on the affected counterparties, which shall set forth the bar date to file rejection damages claims. Any property remaining in ~~the~~**any** leased premises on **the Rejection Effective Date of** such ~~date~~**lease** shall be deemed abandoned and may be used or disposed of by the applicable landlord without notice or liability to any party claiming an interest

in such abandoned property; provided that no equipment that the Debtors know is not owned by the Debtors or the applicable landlord shall be abandoned, and instead the Debtors will either (a) provide for the return of such equipment to the Debtors' headquarters or (b) return such equipment to the applicable lessor or other owner of the equipment; provided further that, to the extent that any furniture, fixtures and/or equipment (" FF&E") or any other property that may contain " personally identifiable information," as that term is defined in section 101(41A) of the Bankruptcy Code, or other personal and/or confidential information about the Debtors' employees and/or customers, or any other individual (the " Confidential Information") is proposed to be abandoned, the Debtors shall remove the Confidential Information from such items of FF&E or other property before such abandonment; provided further that prior to the abandonment of any property against which any party has filed a UCC-1 statement or is otherwise known by the Debtors to assert a lien on such property, the Debtors shall provide such party with at least 10 days advance notice prior to abandonment. Pursuant to Section 2.7 of the Purchase Agreement, Buyer shall be responsible for any and all payment Liabilities (as defined in the Purchase Agreement) of Buyer, Sellers or any of their respective Affiliates (as defined in the Purchase Agreement) under any such Contract or Lease arising in connection with and through the date of rejection of such Contract or Lease, in each case that are incurred and become due and payable during the period from and after Closing through the effective date of such Contract's or Lease's rejection by any Seller in accordance with the Purchase Agreement. For the avoidance of doubt, Buyer shall pay all such Liabilities on a current basis as and when they come due and payable and nothing herein shall affect or modify the Debtors' obligations pursuant to Section 365(d)(3) during the Designation Rights Period.

29. ***Ipso Facto* Clauses Ineffective**. The Assumed Contracts and Assumed Leases shall be transferred to, and remain in full force and effect for the benefit of, Buyer in accordance with their respective terms, including all obligations of Buyer as the assignee of the Assumed Contracts and Assumed Leases, notwithstanding any provision in any such Assumed Contracts and Assumed Leases (including, without limitation, those of the type described in sections 365(e)(1) and (f) of the Bankruptcy Code) that prohibits, restricts, or conditions such assignment or transfer. There shall be no, and all non-Debtor parties to any Assumed Contract or Assumed Lease are forever barred and permanently enjoined from raising or asserting against the Debtors or Buyer any, defaults, breach, claim, pecuniary loss, rent accelerations, escalations, assignment fees, increases, or any fees charged to Buyer or the Debtors as a result of the assumption or assignment of the Assumed Contracts and Assumed Leases.

30. Upon the Debtors' assumption and assignment of the Assumed Contracts and Assumed Leases to Buyer and payment of all undisputed Cure Amounts due upon the effective date of assignment of Assumed Contracts and Assumed Leases, and subject to the resolution or adjudication of any disputed cure costs pursuant to paragraph ~~25~~24 above, no default shall exist under any Assumed Contracts or Assumed Leases, and no non-Debtor party to any Assumed Contracts or Assumed Leases shall be permitted to declare a default by any Debtor or Buyer, or otherwise take action against Buyer, as a result of any Debtor's financial condition, bankruptcy, or failure to perform any of its obligations under the relevant Assumed Contracts or Assumed Leases. Any provision in an Assumed Contract or Assumed Lease that prohibits or conditions the assignment or sublease of such Assumed Contract or Assumed Lease (including without limitation, the granting of a lien therein) or allows the non-Debtor party thereto to terminate, recapture, impose any penalty, condition on renewal, or extension, or modify any term or

condition upon such assignment or sublease, constitutes an unenforceable anti-assignment provision that is void and of no force and effect solely with respect to assignment of the Assumed Contracts and Assumed Leases in the Transactions. The failure of the Debtors or Buyer to enforce at any time one or more terms or conditions of any Assumed Contract or Assumed Lease shall not be a waiver of such terms or conditions, or of the Debtors' and Buyer's rights to enforce every term and condition of the Assumed Contract or Assumed Lease.

31. **Comenity**. Notwithstanding anything to the contrary in this Sale Order or the Purchase Agreement, or any notice or pleadings related thereto, conditioned upon the occurrence of the Closing Date, the Private Label Credit Card Program Agreement between Comenity Capital Bank ("Comenity") and Lucky Brand Dungarees, LLC dated as of November 28, 2017, as amended from time to time (the "Program Agreement") shall be assumed, assigned and sold to the Buyer as of the Closing of the Transactions, and, in lieu of cure, all obligations due and unpaid or accruing under the Program Agreement prior to the Closing Date shall pass through to Buyer and survive assumption and assignment so that nothing in this Order or 11 U.S.C. § 365 shall affect such obligations.

32. **Store Closings**. During the Designation Rights Period, the Buyer, in its sole discretion and in accordance with the Purchase Agreement, may determine to conduct Store Closings and Closing Sales for certain of the Stores (as defined in the Purchase Agreement), including all Stores subject to Leases that Buyer elects to reject in accordance with the Purchase Agreement. The Buyer or its designee is authorized, pursuant to sections 105(a) and 363(b)(1) of the Bankruptcy Code, but not directed, to conduct Store Closings and Closing Sales in accordance with this Sale Order, the *Final Order (I) Approving (A) Procedures for Store Closing Sales, (B) Customary Bonuses to Non-Insider Employees of Closing Stores, and (C) Assumption*

of Consulting Agreement, and (II) Granting Related Relief, dated July 28, 2020 [Docket No. 218] (the " Store Closing Procedures Order"), and the Store Closing Procedures (as defined in the Store Closing Procedures Order), as may be modified by any Landlord Agreement (as defined in the Store Closing Procedures Order) with respect to the applicable Store location subject to the restrictions set forth in paragraph 5 of the Store Closing Procedures Order. **The Buyer or the Debtors shall provide notice to landlords of the applicable Store locations prior to the commencement of such Store Closings and Closing Sales in accordance with paragraphs 6 and 7 of the Store Closing Procedures Order.** Pursuant to section 363(f) of the Bankruptcy Code, the Buyer or its designee is authorized to sell Store Closing Assets (as defined in the Store Closing Procedures Order) free and clear of all Claims because, in each case, one or more of the standards set forth in section 363(f)(1)–(5) of the Bankruptcy Code has been satisfied. For the avoidance of doubt, Buyer shall (i) pay all costs incurred post-Closing in connection with the Store Closings as and when such costs come due and are payable, and shall be solely liable for, and shall indemnify and defend Sellers from, any and all Liabilities of any kind or nature arising in connection with the Store Closing, other than Liabilities resulting from the gross negligence or willful misconduct of any Seller or any of its Related Parties (as defined in the Purchase Agreement) and (ii) retain any and all proceeds from, the Closing Sales and Store Closings.

33. The Buyer and its agent or the Seller and its agent, as applicable, shall not be required to comply with any state or local law requiring that the Buyer or the Seller, as applicable, pay an employee substantially contemporaneously with his or her termination; *provided*, that the Buyer or its agent or the Seller and its agent, as applicable, shall pay any accrued wages for which it is liable under the Purchase Agreement or otherwise to each terminated employee as expeditiously as possible.

34. **Wind-Down Funding**. In accordance with Section 5.10(g) of the Final DIP Order, proceeds from the Transactions shall be used to fund the Wind-Down Account (as defined in the Final DIP Order). Not later than ten (10) business days following the Closing Date, the Debtors shall transfer any Excess Wind-Down Cash (as hereinafter defined) to the Second Lien Lenders on a pro rata basis or such other allocation as agreed by the Debtors and Second Lien Lenders. " Excess Wind-Down Cash" shall mean the amount of cash remaining in the Debtors' bank accounts on the day following the Closing Date which is not required to fund (i) the Wind-Down Account or the Wind-Down Budget (each as defined in the Final DIP Order and totaling, for the avoidance of doubt, $33.0 million) or (ii) amounts for accrued but unpaid liabilities incurred in accordance with the Approved DIP Budget (as defined in the Final DIP Order) relating to the period ending on the Closing Date. The Excess Wind-Down Cash shall be reasonably determined by the Debtors in consultation with the Second Lien Lenders.

35. **Reversal or Modification on Appeal**. The transactions contemplated by the Purchase Agreement are undertaken by Buyer 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 authorization provided herein of the Transactions shall neither affect the validity of the Transactions nor the transfer of the Acquired Assets to Buyer free and clear of Claims, unless such authorization is duly stayed before the Closing pending such appeal.

36. **No Avoidance of Purchase Agreement**. Neither the Debtors nor Buyer has engaged in any conduct that would cause or permit the Purchase Agreement to be avoided or costs and damages to be imposed under section 363(n) of the Bankruptcy Code.

37. **Waiver of Bankruptcy Rules 6004(h) and 6006(d)**. Notwithstanding the provisions of Bankruptcy Rules 6004(h) and 6006(d) or any applicable provisions of the Local

Rules, this Sale Order shall not be stayed after the entry hereof, but shall be effective and enforceable immediately upon entry, and the 14-day stay provided in Bankruptcy Rules 6004(h) and 6006(d) is hereby expressly waived and shall not apply. Time is of the essence in closing the Transactions and the Debtors and Buyer intend to close the Transactions as soon as practicable.

38. **Binding Effect**. The terms and provisions of the Purchase Agreement and this Order shall be binding in all respects upon, or shall inure to the benefit of, the Debtors, their estates and their creditors, Buyer and its Affiliates, successors, and assigns, and any affected third parties, including all Persons asserting Claims, notwithstanding any subsequent dismissal of the Chapter 11 Cases or the appointment of any trustee, examiner, or receiver under any chapter of the Bankruptcy Code or any other law, and all such provisions and terms shall likewise be binding on such trustee, examiner, or receiver and shall not be subject to rejection or avoidance by the Debtors, their estates, their creditors or any trustee, examiner, or receiver. Any trustee appointed for the Debtors under any provision of the Bankruptcy Code, whether the Debtors are proceeding under chapter 7 or chapter 11 of the Bankruptcy Code, shall be authorized and directed to (i) comply with the terms of the Purchase Agreement and (ii) perform under the Purchase Agreement without the need for further order of this Court.

39. **Conflicts; Precedence**. In the event that there is a direct conflict between the terms of this Order and the terms of the Purchase Agreement the terms of this Order shall control.

40. **Modification of Purchase Agreement**. The Purchase Agreement, and any related agreements, documents, or other instruments, may be modified, amended, or supplemented by the parties thereto, in a writing signed by the party against whom enforcement

of any such modification, amendment, or supplement is sought, and in accordance with the terms thereof, without further order of this Court; *provided* that any modification, amendment, or supplement that materially changes the terms of the Purchase Agreement or any related agreements, documents, or other instruments shall be subject to further Court approval.

41. **Bulk Sales**. No bulk sales law, bulk transfer law, or similar law of any state or other jurisdiction shall apply in any way to the Transactions. The Debtors and the Buyer waive, and hereby shall be deemed to have waived, any requirement of compliance with, and any claims related to non-compliance with, the provisions of any bulk sales, bulk transfer, or similar law of any jurisdiction that may be applicable.

42. **Privacy Policy**. The Buyer of the Acquired Assets shall continue the Debtors' existing policy concerning the transfer of personally identifiable information upon Closing, as may be modified in accordance with the terms of such policy.

43. **Conditions Precedent**. Notwithstanding anything to the contrary herein, none of the parties to the Purchase Agreement shall have an obligation to close the Transactions until all conditions precedent in the Purchase Agreement to the parties' respective obligations to close the Transactions have been met, satisfied, or waived in accordance with the terms of the Purchase Agreement.

44. **Retention of Jurisdiction**. This Court shall retain exclusive jurisdiction to, among other things, (i) interpret, enforce, and implement the terms and provisions of this Order and the Purchase Agreement (including all amendments thereto, any waivers and consents thereunder, and of each of the agreements executed in connection therewith) and (ii) adjudicate disputes related to this Order and the Purchase Agreement (including all amendments thereto,

any waivers and consents thereunder, and of each of the agreements executed in connection therewith).

45. **Local Texas Taxing Authorities**. To the extent that any Texas *ad valorem* tax authority (any such authority, a "Local Texas Tax Authority") has valid, perfected, enforceable, senior and nonavoidable liens as of the Petition Date for prepetition *ad valorem* taxes arising under state law on any proceeds from the Transactions (the "Local Tax Authority Liens"), such proceeds shall either be placed in a segregated account in the aggregate amount of Local Texas Tax Authorities' Proofs of Claim as adequate protection for the Local Texas Tax Authority's claims or used to pay the Local Texas Tax Authority on account of such claims promptly following Closing. The Local Tax Authority Liens shall attach to such proceeds to the same extent and with the same priority as the liens they now hold against the property of the Debtors. Any funds placed in a segregated account shall be on the order of adequate protection and shall constitute neither the allowance of the claims of the Local Texas Tax Authorities, nor a cap on the amounts they may be entitled to receive. Furthermore, the Local Texas Tax Authority Liens shall remain subject to any objections any party would otherwise be entitled to raise as to the priority, validity or extent of such liens. Any funds segregated pursuant to this paragraph may be distributed only upon agreement between the Local Texas Tax Authorities and the Debtors, or by subsequent order of the Court, duly noticed to the Local Texas Tax Authorities.

46. **Insurance Policies**. Notwithstanding anything to the contrary herein, all director and officer insurance policies and binders and all claims, refunds and credits from insurance policies or binders due or to become due with respect to such policies or binders (but excluding the Acquired Insurance Proceeds (as defined in the Purchase Agreement)), including, for the avoidance of doubt, the Tail Policies (as defined in the Purchase Agreement) are to be

considered Excluded Assets (as defined in the Purchase Agreement), including, to the extent applicable, policies held with ACE American Insurance Company, Federal Insurance Company and/or any of their respective affiliates (collectively, and together with each of their successors, " Chubb").

47. **Texas Comptroller**. The Acquired Assets sold pursuant to this Order and the terms of the Purchase Agreement shall not include unclaimed property held in trust by the Sellers, as defined pursuant to State unclaimed property laws including Texas Property Code, Title 6, Chapter 72-76, and other applicable laws of the State of Texas.

48. **Oracle America, Inc.**. Notwithstanding any other provision of this Sale Order or the Purchase Agreement, no agreement between the Debtors on the one hand, and Oracle America, Inc. (" Oracle") on the other hand (the " Oracle Agreements"), will be assumed, assigned, or transferred, and no shared or concurrent use of Oracle's products and services by Buyer or its affiliates or designees on account of the Oracle Agreements will be authorized, absent further Court order or Oracle's prior written consent.

49. Cigna. Notwithstanding anything to the contrary in this Sale Order, or any Notice related thereto, the *Objection of Cigna Entities to Notice of Potential Assumption and Assignment of Executory Contracts or Unexpired Leases and Cure Amounts* [Docket No. 288] (the "Cigna Objection") is adjourned, and the Employee Benefits Agreements (as defined in the Cigna Objection) shall not be assumed and assigned to the Buyer under this Sale Order; provided, however, that the Debtors shall, no later than twenty-one (21) days prior to the termination of the Benefits TSA (as defined in the Purchase Agreement), unless extended by agreement of Cigna, provide Cigna with written, irrevocable notice of whether the Debtors propose to assume and assign any or all of the Employee Benefits Agreements.

50. Rem Optical Company, Inc. On August 7, 2020, Rem Optical Company, Inc. ("Rem") filed *Rem Optical Company's (I) Limited Objection to Assumption and Assignment Of Executory Contract, and (II) Reservation Of Rights And Conditional Request For Adequate Protection, with Respect to Debtors' Sale Motion And Notice Of Cure Amounts* [Docket No. 300] (the "Rem Objection"). Rem has withdrawn its objection to the assumption and assignment of the License Agreement (as defined in the Rem Objection). Notwithstanding that withdrawal and notwithstanding anything to the contrary in this Sale Order or the Purchase Agreement, nothing in this Sale Order or the Purchase Agreement shall alter, modify, prejudice, impair or otherwise limit any rights, claims, liens or interests of Rem set forth in the Rem Objection related to the sale of the Debtors' assets and assumption and assignment of Contracts in connection therewith in the event the License Agreement is not assumed and assigned to Buyer, including, but not limited to those rights, interests and claims (i) that Rem would be entitled to retain under applicable law in the event the License Agreement (as defined in the Rem Objection) were rejected or otherwise breached by the Licensor (as defined in the Rem Objection) thereunder or (ii) that are otherwise entitled to adequate protection under 11 U.S.C. § 363(e), except upon agreement of the parties or further order of the Court, and the Debtors', Buyer's, and Rem's rights, claims and defenses with respect to any such rights, claims, liens or interests of Rem are hereby reserved and preserved.

51. ~~**49.**~~ **General Provisions**. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

52. ~~**50.**~~ This Order shall be effective as a determination that, on the date of the Closing, all Claims of any kind or nature whatsoever existing as to the Acquired Assets prior to

the Closing have been unconditionally released, discharged, and terminated as to the Acquired Assets, with such Claims to attach to the proceeds of the sale with the same priority, validity, force and effect as such Claims had in the Acquired Assets, subject to any claims and defense the Debtors may possess with respect thereto.

53. ~~**51.**~~ The Debtors are authorized to change their legal names, and file any necessary documents to effectuate such name changes, without further order of the Court. Within three (3) business days of changing their names, the Debtors may file a motion to change the case caption pursuant to Local Rule 9004-1(c).

Dated: _____, 2020
Wilmington, Delaware

_____
CHRISTOPHER S. SONTCHI
UNITED STATES BANKRUPTCY JUDGE

Summary report: **Litera® Change-Pro for Word 10.9.2.0 Document comparison done on 8/12/2020 1:39:57 PM**	
Style name: L&W with Moves	
Intelligent Table Comparison: Active	
Original DMS: iw://US-DOCS/US-DOCS/117190942/10	
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Format changes	0
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