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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	**Chapter 11**
BORDERS GROUP, INC., *et al.*,[1]	**Case No. 11-10614 (MG)**
Debtors.	**(Jointly Administered)**

LEASE SALE BIDDING PROCEDURES

Set forth below are the bidding procedures (the "Bidding Procedures") to be employed with respect to the proposed sales (the "Sales") of the interests held by Borders, Inc. ("Borders") or certain of its affiliates, including certain affiliated chapter 11 debtors and debtors in possession (together with Borders, the "Debtors") in certain unexpired nonresidential real property leases.

1. On July 27, 2011, the Debtors filed their *Motion for Order Pursuant to Sections 105, 363 and 365 of the Bankruptcy Code and Rules 2002, 6004, 6006 and 9014 of the Federal Rules of Bankruptcy Procedure (I) Approving the Bidding and Auction Procedures for Sale of Unexpired Nonresidential Real Property Leases, (II) Setting Sale Hearing Dates and (III) Authorizing and Approving (A) Sale of Certain Unexpired Nonresidential Real Property Leases*

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Borders Group, Inc. (4588); Borders International Services, Inc. (5075); Borders, Inc. (4285); Borders Direct, LLC (0084); Borders Properties, Inc. (7978); Borders Online, Inc. (8425); Borders Online, LLC (8996); and BGP (UK) Limited.

Free and Clear of All Interests, and (B) Assumption and Assignment of Certain Unexpired Nonresidential Real Property Leases (the "Lease Sale Motion").

2. On August __ 2011, the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") entered an Order approving these Bidding Procedures and approving auction procedures for the Sales (the "Bidding Procedures Order"). The Bidding Procedures Order scheduled September 8, 2011 and September 20, 2011 (or in each case, such later dates as may be determined by the Bankruptcy Court), as the dates when the Bankruptcy Court will conduct hearings (each, a "Lease Sale Hearing") to authorize the Debtors to conduct the Sales.

3. The Bidding Procedures set forth herein describe, among other things, the assets available for the Sales, the manner in which bids become Qualified Bids (as defined herein), the receipt and negotiation of bids received, the conduct of any subsequent Auctions (as defined herein), the ultimate selection of the Successful Bidder(s) (as defined herein), and the Bankruptcy Court's approval thereof. In the event that the Debtors and any party disagree as to the interpretation or application of these Bidding Procedures, the Bankruptcy Court will have jurisdiction to hear and resolve such dispute.

Assets To Be Sold

4. The assets proposed to be sold in the Sales are the Debtors' interests in the unexpired nonresidential real property leases identified in **Exhibit 1** hereto (each of which is ~~either~~(i) subject to an assumption/rejection deadline under section 365(d)(4) of the Bankruptcy Code that is on or prior to September 30, ~~2011 or~~2011, (ii) is subject to "holiday protections" triggered on or prior to September 30, ~~2011~~2011, or (iii) is one of the Debtors' airport or small format stores) (each, a "First Round Lease" and collectively, the "First Round Leases"), and the remaining Leases of the Debtors set forth on **Exhibit 2** hereto (each, a "Second Round Lease"

and collectively, the "Second Round Leases").[2] Each First Round Lease and Second Round Lease is referred to herein as a "Lease" and, collectively, all the First Round Leases and the Second Round Leases are referred to herein as the "Leases".

5. The Debtors reserve the right, in consultation with counsel for the statutory committee of unsecured creditors (the "Committee"), to elect to auction and to sell Leases that are listed as Second Round Leases in the First Auction (as defined below) if necessary to permit the sale(s) of more than one (1) Lease to a single bidder; provided, however, that the Debtors shall notify any affected lessor(s) of any such election as soon as practicable, but in no event later than August 29, 2011 and that the affected lessor(s)' First Round Bid Deadline (as defined below) for any such leases shall be extended through commencement of the First Auction.

"As Is, Where Is"

6. ~~5.~~ Any sale, assignment, or other disposition of each of the Leases will be on an "as is, where is" basis and without representations or warranties of any kind, nature, or description by the Debtors, their agents, or their estates.

Free Of Any And All Interests

7. ~~6.~~ The Debtors shall request language in any Order approving the Sales providing that all of the Debtors' rights, title and interest in and to the Leases shall be assigned and sold pursuant to sections 365(f) and 363(f) of title 11 of the United States Code (the "Bankruptcy Code") free and clear of all interests, including, without limitation, liens, claims, encumbrances, mortgages, and security interests, which shall attach to the net proceeds received by the Debtors as a result of the Sales with the same force and effect that they now have, subject to the Debtors' claims and defenses and any further Order of the Bankruptcy Court.

[2] ~~Debtors reserve the right, in consultation with the Committee, to auction and sell Leases that are listed as Second Round Leases in the auction for the First Round Leases if necessary to permit the sale(s) of more than one (1) Lease to a single bidder.~~

Due Diligence

8. ~~7.~~ Each Qualified Bidder (as defined herein) shall be deemed to acknowledge: (a) that it had an opportunity to inspect and examine the leased premises and to review the Lease(s) and all other pertinent documents with respect to the Lease(s) prior to making its offer and that each such Qualified Bidder relied solely on that review and upon its own investigation and inspection of the leased premises in making its offer, (b) that it is not relying upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied, by operation of law, or otherwise of the Debtors, their agents or representatives; and (c) that the occupancy of the premises set forth in the Leases may not be available until the completion of any going out of business sale at the premises.

Bid Deadline

9. ~~8.~~ A bidder (the "Bidder" and collectively, the "Bidders") who desires to make a bid for one or more Lease(s) must deliver the Required Bid Documents (as defined herein) to:

Bids must be delivered to (which may include email or facsimile):

Kasowitz, Benson, Torres & Friedman LLP
1633 Broadway
New York, New York 10019
Attn: Andrew K. Glenn, Esq. (aglenn@kasowitz.com)
Jeffrey R. Gleit, Esq. (jgleit@kasowitz.com)
Facsimile: (212) 506-1800

with a copy to:

DJM Realty
445 Broad Hollow Road, Suite 225
Melville, NY 11747
Attn: James Avallone (javallone@djmrealty.com)
Emilio Amendola (eamendola@djmrealty.com)
Facsimile: (631) 752-1231

Bids on the First Round Leases must be sent to the above parties so as to be received not later than **3:00 p.m. (ET) on August 26, 2011** (the "First Round Bid Deadline"). Bids on the Second

Round Lease must be sent to the above parties so as to be received not later than **3:00 p.m. (ET) on September 7, 2011** (the "Second Round Bid Deadline" and, together with the First Round Bid Deadline, the "Bid Deadlines"). Counsel for the Debtors will provide copies of Bids to counsel ~~for~~to the Committee. The Debtors, in consultation with the Committee, may extend the Bid Deadlines once or successively, but are not obligated to do so.

Bid Requirements

10. ~~9.~~ All bids must include the following documents (the "Required Bid Documents"):

a. ~~A~~Except for a Lessor bidding on a Lease(s) for which it is the Lessor, a written offer on Bidder's corporate letterhead (or, if on behalf of Bidder by Bidder's legal counsel, then on Bidder's legal counsel's letterhead) for the purchase of one or more of the Leases must include: (i) the full name and identity of the proposed assignee (and any beneficial owner thereof if the assignee is not a publicly traded entity) of each individual Lease, (ii) the amount being offered for each individual Lease (if more than one Lease, then set forth in the form of an allocation schedule), (iii) the intended use of each premises covered by a Lease in Bidder's offer, (iv) adequate assurance of future performance information, including, but not limited to: (a) federal tax returns for two years, a current audited financial statement and/or bank account statements and (b) any other information that the Debtors may reasonably request ("Adequate Assurance Information") and (v) express authorization to provide the Adequate Assurance Information to the applicable lessor(s) (each, a "Lessor") on a confidential basis. Such written offer must also expressly state that if Bidder is the successful Bidder, it is ready, willing, and able to execute an individual Agreement of Assumption and Assignment of Lease(s) substantially in the form attached hereto as **Exhibit ~~3~~.3** (an "Assumption Agreement"), which shall provide that any obligations that are undetermined as of the effective date that arise from or in connection with year-end or other adjustments of rent or other charges due to the Lessor pursuant to the terms of the Lease (including, without limitation, any such obligations related to the period prior to the effective date of the assignment) shall be assumed by and be the sole responsibility of the Bidder.

b. In the case of a real estate broker bidding on a Lease(s) as agent for a Bidder, the broker must submit the Required Bid Documents together with

a letter of authorization on Bidder's corporate letterhead, executed by an authorized officer of the Bidder, stating that (i) Bidder exclusively authorizes broker to submit such offer on behalf of Bidder and that, unless otherwise agreed to in writing by Debtors, any commission or fee of any type due and payable to such broker as a result of an assignment of Lease(s) shall be paid solely by Bidder and Bidder shall indemnify the Debtors and their estates in this regard and (ii) Bidder acknowledges that it will comply with these Bid Procedures.

c. In the case of a Lessor bidding on a Lease(s) for which it is the lessor, a written offer on Lessor's corporate letterhead (or, if on behalf of Lessor by Lessor's legal counsel, then on Lessor's legal counsel's letterhead) for the purchase of one or more of the Leases that must include the gross amount offered for each individual Lease (if more than one Lease) including a breakdown identifying that portion which is payable in cash to the Debtors and that portion, if any, which is "credit bid" against the Cure Amount component of the minimum consideration set forth in Section 10.a. hereof. In the event a Lessor submits an offer that contemplates a credit bid, such Lessor may credit bid not less than the full Cure Amount (as defined in the Bidding Procedures Order) and/or any rejection damages claim; provided, that the Lessor must include as part of its bid adequate supporting information/documentation to substantiate (i) the difference between the Proposed Cure Amount (as defined in the Bidding Procedures Order) and the Cure Amount (the "Cure Difference") and/or (ii) such rejection damages claim; provided, further, that the Debtors shall have the right to contest the Cure Difference and/or any rejection damages claim on any grounds at the Auction and, in the Debtors' discretion, in consultation with the Committee, ascribe no value to any rejection damages claim and limit the amount of the credit bid to the Proposed Cure Amount; provided, further, that failure to contest the Cure Difference at the Auction shall not constitute a waiver of the Debtors' or Committee's right to contest the Cure Difference in accordance with the Bidding Procedures Order or such other orders as may be entered by the Bankruptcy Court. Such written offer must expressly state that if the Lessor is the Successful Bidder, it is ready, willing, and able to execute an Assumption Agreement or a reasonable short form of Lease Termination Agreement(s), substantially in the form attached hereto as **Exhibit 4**, and the extent to which, if any, it agrees to waive and release any and all claims it may have against the Debtors, including claims pursuant to section 502(b)(6) of the Bankruptcy Code. In the event a Lessor is the Successful Bidder and the Bankruptcy Court determines or the Debtors and each such Lessor agree that all or a portion of the Cure Difference on which the Lessor relied for its 'credit bid' is not a valid obligation of the Debtors, each such Lessor shall, unless otherwise agreed to by the Debtors and such Lessor, within three (3) business days of such determination or agreement, remit payment to the Debtors in the amount so determined or agreed not to be a valid obligation of the Debtors. Notwithstanding anything to the contrary herein, should

the Debtors or the Committee contest any portion of the Cure Amount or ascribe no value to the rejection damages claims, such acts shall not affect either whether a bid is a Qualified Bid or the status of a bid as a Qualified Bid.

d. A good faith deposit equal to the greater of 10% of the bid amount or $15,000 per Lease that is the subject of such bid (the "Good Faith Deposit") in the form of a certified bank check from a U.S. bank payable to the order of Borders, Inc. (or such other party as the Debtors may determine); provided, however, that athe deposit amount shall not exceed the bid amount. Any Lessor bidding on its own Lease, however, is exempt from this requirement.

e. All written offers must expressly state that the Bidder's offer is (and all offers will be considered to be) irrevocable until the earlier to occur of (i) the Closing (as defined herein) or (ii) forty-five (45) days following the applicable Auction (unless such bid is sooner expressly rejected in writing by the Debtors).

Qualified Bids

11. ~~10.~~ A Bid will be considered only if the Bid:

a. proposes, for each Lease that is the subject of such Bid, consideration equal to or greater than the sum of (x) the Cure Amount plus (y) $10,000, which sum shall be paid in cash;

b. is unconditional, subject only to the Debtors obtaining any necessary approval or authorization from the Bankruptcy Court;

c. includes a commitment to consummate the purchase of the Lease or Leases on or within two business days following the later of (i) the applicable Sale Hearing or (ii) the Sale Termination Date (as defined in the Sale Motion) with respect to such Lease;

d. is received by the First Round Bid Deadline, for the First Round Leases, or the Second Round Bid Deadline, for the Second Round Leases;[32]

e. agrees to waive any right to assert a claim for reimbursement of any fees and/or expenses of such bidder as an administrative expense, or otherwise, including, without limitation, as a substantial contribution; and

f. proposes a transaction only for either (i) one or more First Round Lease(s) or (ii) one or more Second Round Lease(s).[43]

12. ~~11.~~ In addition, to be a Qualified Bid, each Bidder must be prepared to demonstrate to the Debtors (i) its ability to consummate the purchase of the Lease(s), (ii) adequate assurance of future performance under the Lease(s) and (iii) its ability to otherwise fulfill its obligations under the Lease(s).

13. ~~12.~~ A Bid will constitute a Qualified Bid only if it includes all of the Required Bid Documents and meets all of the above requirements, including those in Paragraphs ~~10~~11 and ~~11~~12 (a "Qualified Bid"); provided, however, the Debtors will have the right, in consultation with the Committee, to entertain bids for a Lease that do not conform to one or more of the requirements specified herein and may deem such bids to be Qualified Bids. A bidder from whom the Debtors receive a Qualified Bid will be designated a "Qualified Bidder".

[32] *See* ~~Note 2,~~ ¶ 5, *supra.*
[43] *See* ~~Note 2,~~ ¶ 5, *supra.*

14. ~~13.~~ The First Round Lease(s) and other pertinent documents will be available for inspection prior to the First Round Bid Deadline and the Second Round Lease(s) and other pertinent documents will be available for inspection prior to the Second Round Bid Deadline, in each case during regular business hours or pursuant to arrangements made with counsel to the Debtors prior to the applicable Bid Deadline for copies to be made available to Bidder for inspection.

Joint Bids

15. ~~14.~~ The Debtors will be authorized to approve joint bids in the Debtors' discretion, after consulting with the Committee, on a case-by-case basis.

Auctions

16. ~~15.~~ If the Debtors receive more than one Qualified Bid for one or more First Round Lease(s), the Debtors will conduct an auction (the "First Auction") for such Lease(s) at **10:00 a.m. (ET) on August 31, 2011** at the offices of Kasowitz, Benson Torres & Friedman LLP, New York, New York, 10019 or such later time or other place as the Debtors may notify all Qualified Bidders who have submitted Qualified Bids.

17. ~~16.~~ If the Debtors receive more than one Qualified Bid for one or more Second Round Lease(s), the Debtors will conduct auction for such Lease(s) at **10:00 a.m. (ET) on September 13, 2011** (the "Second Auction" and, together with the First Auction, the "Auctions")[54] at the offices of Kasowitz, Benson Torres & Friedman LLP, New York, New York, 10019 or such later time or other place as the Debtors may notify all Qualified Bidders who have submitted Qualified Bids.

18. ~~17.~~ Each Auction will be conducted in accordance with the following procedures:

[54] The Debtors reserve the right, in consultation with the Committee, to conduct a private sale for any Lease(s) or withdraw any Lease(s) from the auction process.

g. Only the Debtors, ~~members of the statutory committee of unsecured creditors (the "~~the Committee~~")~~, those Lessors whose Leases are subject to the Auction (and their legal and financial advisers) and any Qualified Bidders who have timely submitted Qualified Bids for Leases which are subject to the Auction will be entitled to attend the Auction. A Qualified Bidder may request to attend the Auction telephonically, provided, however, that the decision to honor such a request will be at the Debtors' discretion, after consulting with the Committee. Only Qualified Bidders will be entitled to make any subsequent Qualified Bids at the Auction.

h. Immediately prior to the commencement of the Auction for each Lease, with respect to the Qualified Bid or combination of Qualified Bids which the Debtors determine, after consultation with the Committee, to be the highest or otherwise best offer for a Lease or Leases subject to that Auction, the Debtors will provide information as to the identity of such Qualified Bidder(s) and the purchase price associated with such Qualified Bid(s) to all Qualified Bidders for that Lease who have informed the Debtors of their intent to participate in the Auction. Notwithstanding such determination, the Debtors reserve the right, in consultation with the Committee, to determine which bid, or subsequent bid, is the Successful Bid (as defined herein), following the conclusion of the Auction based upon a number of factors and other considerations.

i. In the event the Debtors receive only a single Qualified Bid for a particular Lease(s), such Lease(s) will not be subject to bidding at the Auctions, and the Debtors, in consultation with the Committee, may seek to assume and assign such Lease(s) or to enter into a termination agreement at the Lease Sale Hearing following the applicable Auction, if such Qualified Bid is otherwise acceptable to the Debtors. In the event the Debtors receive multiple Qualified Bids for a particular Lease, such Lease, unless previously sold, otherwise disposed of or withdrawn, will be offered for sale at the applicable Auction, either in bulk or separately.

j. All bidding shall be in increments determined by the Debtors and their advisors, in consultation with the Committee.

k. All Qualified Bidders who have timely submitted Qualified Bids will be entitled to be present for all subsequent bids with the understanding that the identity of each bidder and the purchase price of each subsequent bid will be fully disclosed to all other applicable bidders throughout the entire Auction and put on the record.

l. The Debtors, in consultation with the Committee, may employ and announce at each Auction additional procedural rules that are reasonable under the circumstances for conducting the Auction (e.g., the amount of time allotted to make subsequent bids), provided that such rules are not inconsistent with these Bidding Procedures, the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), the

local rules issued by the United States Bankruptcy Court for the Southern District of New York (the "Local Bankruptcy Rules") or any order of the Bankruptcy Court entered in connection herewith.

m. The Debtors intend to sell their interest to the Bidder making the highest or otherwise best Qualified Bid at or prior to the applicable Auction for each Lease. Formal acceptance of a bid will not occur unless and until the Court enters an order approving and authorizing the Debtors to consummate the Sales of the Lease(s) to such Bidder or its designated assignee and, as applicable, the assumption and assignment or entry into termination agreements for such Lease(s).

Jurisdiction

19. ~~18.~~ Each Bidder, by submitting a bid, is deemed to have submitted itself to the jurisdiction of the Bankruptcy Court. The Bankruptcy Court shall have exclusive jurisdiction over any disputes arising out of or related to the Bidding Procedures, and each Bidder, by submitting the bid, has acknowledged and consented to such jurisdiction and has waived any right to trial by jury in connection with any disputes related to Debtors' qualification of Bids, the Auction and the construction and enforcement of these Bidding Procedures.

Selection Of Successful Bid

20. ~~19.~~ At the conclusion of the foregoing steps in the Auctions, or as soon thereafter as practicable, the Debtors, after consultation with their advisors and the Committee, will announce for each Lease which bid is the highest or otherwise best bid (the "Successful Bid(s)" and the bidder(s) making such bid, the "Successful Bidder(s)") and which bid is the second highest or otherwise best bid, if any (the "Back-Up Bid(s)" and such bidder(s), the "Back-Up Bidder(s)"). Within one business day of the Debtors' announcement of a Successful Bidder, such bidder shall supplement its Good Faith Deposit in an amount equal to the difference between (x) 10% of the Successful Bid and (y) the Good Faith Deposit previously provided by the bidder with respect to it applicable Bid. Moreover, within one business day of selecting the Successful Bidder for any Lease, the Debtors will deliver, via overnight mail, the Adequate Assurance

Information for such Lease to the applicable Lease counterparties. In addition, the Debtors will email the Adequate Assurance Information to counsel of record for such Lease immediately following the selection of the Successful Bidder.

21. ~~20.~~ The Debtors, in consultation with the Committee, reserve the right (i) to determine which Qualified Bid, if any, for any or all of the Leases is the highest or otherwise best bid and (ii) to reject, at any time prior to entry of an order of the Bankruptcy Court approving the bid, any bid which the Debtors, deem to be (x) inadequate or insufficient, (y) not in conformity with the requirements of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules or these Bidding Procedures, or (z) contrary to the best interests of the Debtors, their estates and creditors. The Debtors will have no obligation to accept or submit for Court approval any offer presented at the Auctions except such written offers as may have been accepted by the Debtors, in consultation with the Committee.

22. ~~21.~~ The Debtors will sell the Lease(s) to the Successful Bidder(s) upon the approval of such Successful Bid(s) by the Bankruptcy Court at the applicable Lease Sale Hearing. The Debtors' presentation of a particular Successful Bid to the Court for approval does not constitute the Debtors' acceptance of the bid. The Debtors will be deemed to have accepted a bid only when the bid has been approved by the Bankruptcy Court at a Lease Sale Hearing.

Consultation

23. ~~22.~~ The Debtors will consult with the Committee on an ongoing basis throughout the sale and auction process.

The Lease Sale Hearings

24. ~~23.~~ The Lease Sale Hearings will be held before the Honorable Martin Glenn **on September 8, 2011 at 11:00 a.m.** (ET) with respect to the First Round Leases and **September 20, 2011 at 10:00 a.m.** (ET) with respect to the Second Round Leases in the United States

Bankruptcy Court for the Southern District of New York, Courtroom 501, One Bowling Green, New York, New York 10004, but may be adjourned or rescheduled by Debtors, in consultation with the Committee, subject to Bankruptcy Court approval, as necessary, without further notice by an announcement of the adjourned date at the Lease Sale Hearing.

25. ~~24.~~ If the Debtors do not receive any Qualified Bids for a First Round Lease or Leases by the First Round Bid Deadline, the Debtors will report the same to the Bankruptcy Court at the Lease Sale Hearing on September 8, 2011, and may proceed with the rejection of such First Round Leases as set forth in the Court's order (the "Rejection Procedures Order"), dated March 16, 2011, approving expedited rejection procedures of the Debtors Leases.[65] If the Debtors do not receive any Qualified Bids for a Second Round Lease or Leases by the Second Round Bid Deadline, the Debtors will report the same to the Bankruptcy Court at the Lease Sale Hearing on September 20, 2011, and may proceed in accordance with the Rejection Procedures Order.

26. ~~25.~~ If the Debtors receive one or more Qualified Bid for one or more First Round Lease(s), then, at the Lease Sale Hearing on September 8, 2011, the Debtors will seek approval of the Successful Bid for such Lease(s), and, at the Debtors' election, the Back-Up Bid, as well as the Sales and, as applicable, assumption and assignment of such Lease(s) or entry into termination agreements for such Lease(s).

27. ~~26.~~ If the Debtors receive one or more Qualified Bid for one or more Second Round Lease(s), then, at the Lease Sale Hearing on September 20, 2011, the Debtors will seek approval of the Successful Bid for such Lease(s), and, at the Debtors' election, the Back-Up Bid, as well as the Sales and, as applicable, assumption and assignment of such Lease(s) or entry into termination agreements for such Lease(s).

[65] [Docket No. 399].

The Closing

28. ~~27.~~ Except as otherwise provided in a written offer that has been accepted by the Debtors, upon approval of the Sales and, as applicable, assumption and assignment of the Lease(s) to, or entry into termination agreement for such Lease(s) with, the Successful Bidder by the Bankruptcy Court, the closing (the "Closing") of the Sales of Lease(s) shall take place on or within two (2) business days following the later of (i) the applicable Lease Sale Hearing or (ii) the Sale Termination Date (as defined in the Agency Agreement) with respect to such Lease(s). With respect to the Closing, time of performance by the Successful Bidder is of the essence.

29. ~~28.~~ Following approval of the Sales to the Successful Bidder(s), if the Successful Bidder(s) fail(s) to timely consummate the Sales because of a breach or failure to perform on the part of such Successful Bidder(s), except for a failure of a condition precedent beyond the control of either the Debtors or the Successful Bidder, then the Debtors shall retain the Good Faith Deposit as liquidated damages and the Back-Up Bid(s) will be deemed to be the Successful Bid(s) and the Debtors, in consultation with the Committee, will be authorized, but not directed, to effectuate a Sale to the Back-Up Bidder(s) subject to the terms of such Back-Up Bid without further order of the Bankruptcy Court.

30. ~~29.~~ At the Closing, the balance of the purchase price shall be paid by the Successful Bidder (or, as applicable, the Back-Up Bidder) by wire transfer or an endorsed bank or certified check.

Return Of Good Faith Deposits

31. ~~30.~~ The Good Faith Deposits of all Qualified Bidders (except for the Successful Bidder and, at the Debtors' election, the Back-Up Bidder) for Leases will be held by the Debtors and all Qualified Bids will remain open (notwithstanding Bankruptcy Court approval of a Sale pursuant to the terms of one or more Successful Bids by one or more Qualified Bidders), until the

earlier of (i) two (2) business days following the Closing of the Sale and (ii) forty-five (45) days following the applicable Auction (the "Return Date"). Notwithstanding the foregoing, the Good Faith Deposit, if any, submitted by the Successful Bidder(s), will be applied against the payment of the purchase price upon Closing of the Sale to the Successful Bidder(s). If a Successful Bidder breaches its obligations under the Bidding Procedures Order or any agreement entered into with respect to its Successful Bid or fails to timely consummate an approved Sale because of a breach or failure to perform on the part of such Successful Bidder, the Debtors will not have any obligation to return the Good Faith Deposit, and such Good Faith Deposit will irrevocably become property of the Debtors' estates. On the Return Date, the Debtors will return the Good Faith Deposits of all other Qualified Bidders for Leases, together with the accrued interest thereon.

Reservations Of Rights

32. ~~31.~~ The Debtors, in consultation with the Committee: (i) may determine which Qualified Bid, if any, is the highest or otherwise best bid and (ii) may reject at any time any bid that is: (a) inadequate or insufficient, (b) not in conformity with the requirements of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules or these Bidding Procedures, or (c) contrary to the best interests of the Debtors, their estates and creditors as determined by the Debtors in their sole discretion.

Miscellaneous Terms of Sale

33. ~~32.~~ Unless otherwise indicated by the Debtors at the Auction, Sales of the Leases shall not include personal property, inventory, fixtures, trade fixtures, or other furnishings or equipment located in the premises whether or not owned by the Debtors. Subject to the Agency Agreement (as defined in the Lease Sale Motion), the Debtors reserve the right, in consultation with the Committee, either to sell such personal property to the Successful Bidder or to any other

party, to abandon any or all of the personal property located at each of the locations, or to make such other arrangements as may be appropriate.

34. ~~33.~~ All sales, transfer and recording taxes, stamp taxes or similar taxes, if any, relating to the assignment of the Leases or the sale of personal property of the Debtors in connection therewith shall be the sole responsibility of the Successful Bidder and shall be paid to the Debtors at the Closing of each transaction.

35. ~~34.~~ The Debtors, in consultation with the Committee, at or before each Auction, may impose or modify the terms and conditions herein as they determine to be in the best interests of the Debtors, their estates, creditors and other parties in interest. The Debtors, in consultation with the Committee, may revise the procedures herein without Court approval to enable Qualified Bidders to submit Qualified Bids for smaller subsets of Leases of a greater package submitted by such Qualified Bidders, provided no new Leases are included in such package.

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