

## **GUIDELINES FOR CONDUCT OF THE SALE<sup>1</sup>**

1. The Sale shall be conducted so that the Stores in which sales are to occur remain open no longer than the normal hours of operation provided for in the respective leases or other occupancy agreements for the Stores.

2. The Sale shall be conducted in accordance with applicable state and local "Blue Laws," and thus, where applicable, no sale shall be conducted on Sunday unless the Merchant had been operating such Store on a Sunday.

3. All in-Store display and hanging signs used by the Merchant and the Agent in connection with Sale shall be professionally produced and all hanging signs shall be hung in a professional manner. The Merchant and the Agent may advertise the Sale using the term "going out of business," "store closing" or any similar theme. The Merchant and the Agent shall not use neon or day-glo signs. Furthermore, with respect to enclosed mall locations no exterior signs or signs in common areas of a mall shall be used. In addition, the Merchant and the Agent shall be permitted to utilize exterior banners at (i) non-enclosed mall Stores, and (ii) enclosed mall Stores to the extent the applicable Store entrance does not require entry into the enclosed mall common area; provided, however, that such banners shall be located or hung so as to make clear that the Sale is being conducted only at the affected store and shall not be wider than the storefront of the Store. In addition, the Merchant and the Agent shall be permitted to utilize sign walkers.

4. Conspicuous signs shall be posted in the cash register areas of each Store to the effect that all sales are "final" and that customers with any questions or complaints subsequent to the conclusion of the Sale may contact a named representative of the Merchant at a specified telephone number.

5. Within a "shopping center", the Agent shall not distribute handbills, leaflets or other written materials to customers outside of any of the Stores, unless permitted by the applicable lease or, if distribution is customary in the "shopping center" in which the Store is located. Otherwise, the Agent may solicit customers in the Stores themselves. The Agent shall not use any flashing lights or amplified sound to advertise the Sale or solicit customers, except as permitted under the applicable lease or agreed to by the landlord.

6. At the conclusion of the Sale, Agent shall vacate the Stores in "broom-clean" condition, and shall otherwise leave the Stores in the same condition as on the commencement of the Sale, ordinary wear and tear excepted; provided, however, that the Merchant and/or the Agent shall be authorized to leave any FF&E or other materials not sold in the Sale (the "Abandoned Property") at the closing store premises at the conclusion of the Sale; provided, further, that the Merchant hereby does not undertake any greater obligation than as set forth in an applicable lease with respect to a Store. Any Abandoned Property left in a Store after a lease is rejected shall be deemed abandoned with the landlord having the right to dispose of the same as the landlord chooses without any liability whatsoever on the part of the landlord and without waiver of any damage claims against the Merchant or Agent.

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<sup>1</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Agency Agreement.

7. During the Sale, the Agent may sell the Agent Sale FF&E located in the Stores subject to Section 15.9 of the Agency Agreement. The Agent may advertise the sale of such Agent Sale FF&E consistent with the guidelines provided in paragraphs 3 and 5 hereof. Additionally, the purchasers of any Agent Sale FF&E sold during the Sale shall only be permitted to remove the Agent Sale FF&E either through the back shipping areas or through other areas after store business hours unless otherwise agreed to by the center or mall management or if such Agent Sale FF&E can be removed by one person and can fit within a shopping bag in which case such Agent Sale FF&E can be removed at anytime or any entrance.

8. Landlords will be provided with the name and telephone number of a representative of the Merchant to notify of any problem arising during the Sale.

9. The Agent shall not make any alterations to interior or exterior Store lighting. No property of any landlord of a Store shall be removed or sold during the Sale. The hanging of exterior banners or other signage shall not constitute an alteration to a Store.

10. At the conclusion of the Sale at each Store, pending assumption or rejection of applicable leases, the landlord of a Store shall have reasonable access to the Store's premises as set forth in the applicable lease. The Merchant and, to the extent provided for in the Agency Agreement, the Agent, and each of their agents and representatives shall continue to have exclusive and unfettered access to the Stores.

11. The Merchant shall notify a representative of the relevant landlord of the date on which the Sale is scheduled to conclude at a given Store, within three business days of the Merchant's receipt of such notice from the Agent.

12. Nothing contained herein shall be construed to create or impose upon the Merchant or the Agent any additional restrictions not contained in the applicable lease or other occupancy agreement.

13. As to the relative rights of the Debtors and the Agent, any conflicts between this document and the Agency Agreement shall be resolved in favor of the Agency Agreement and nothing contained in these Sale Guidelines shall be deemed to modify, limit or expand such provisions of the Agency Agreement. As to landlords' rights hereunder, the Sale Guidelines shall control and nothing in the Agency Agreement shall be deemed to modify, limit or expand landlord's rights hereunder.