

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

In re:

LILY ROBOTICS, INC.,

Debtor.¹

Chapter 11

Case No. 17-10426 (KJC)

Re: **D.I. 58, 213**

**NOTICE OF FILING OF REVISED PROPOSED ORDER (A) AUTHORIZING
THE SALE OF SUBSTANTIALLY ALL OF THE DEBTOR'S ASSETS
FREE AND CLEAR OF LIENS, CLAIMS AND ENCUMBRANCES,
AND OTHER INTERESTS; AND (B) GRANTING RELATED RELIEF**

PLEASE TAKE NOTICE that on March 13, 2017, the above-captioned debtor and debtor-in-possession (the "Debtor"), filed **Debtor's Motion Pursuant To Sections 105(a), 363, 365, 503 And 507 Of The Bankruptcy Code For Entry Of Orders (I)(A) Approving Procedures In Connection With The Sale Of Substantially All Of The Debtor's Assets; (B) Scheduling Bid Deadlines, The Auction And Sale Hearing; (C) Approving The Form And Manner Of Notice Thereof; And (D) Granting Related Relief; And (II)(A) Authorizing The Sale Of Substantially All Of The Debtor's Assets Free And Clear Of Liens, Claims And Encumbrances, And Other Interests; (B) Approving The Assumption And Assignment Of Certain Executory Contracts And Unexpired Leases; And (C) Granting Related Relief (D.I. 58) (the "Sale Motion").**²

PLEASE TAKE FURTHER NOTICE that, on April 28, 2017, the United States Bankruptcy Court for the District of Delaware entered the **Order (I) Approving Sale Procedures in Connection with Sale of Substantially All Assets; (II) Scheduling an Auction for and Hearing to Approve One or More Sales; (III) Approving Notice of Respective Date, Time and Place for Auction and for Hearing on Approval of Sale(s); and (IV) Granting Related Relief (D.I. 213) (the "Sale Procedures Order").**

PLEASE TAKE FURTHER NOTICE that, in accordance with the Bidding Procedures and the Sale Procedures Order, the Auction was held on June 7, 2017 and closed on June 9, 2017.

¹ The last four digits of the Debtor's federal tax identification number are 8604. The Debtor's mailing address is c/o Curtis G. Solsvig, III, Goldin Associates, LLC, 350 Fifth Avenue, New York, NY 10118.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

PLEASE TAKE FURTHER NOTICE that, at the conclusion of the Auction, and in good faith consultation with the Consultation Parties, the Debtor selected Mota Group, Inc. and LR Acquisition, LLC as the Successful Bidders.

PLEASE TAKE FURTHER NOTICE that attached hereto as **Exhibit A** is a proposed **Order (A) Authorizing The Sale Of Substantially All Of The Debtor's Assets Free And Clear Of Liens, Claims And Encumbrances, And Other Interests; And (B) Granting Related Relief** (the "Proposed Order").

PLEASE TAKE FURTHER NOTICE that attached hereto as **Exhibit B** is a proposed Asset Purchase Agreement for Mota Group, Inc. (the "Mota APA"). Attached hereto as **Exhibit C** is a proposed Asset Purchase Agreement for LR Acquisition, LLC (the "LR Acquisition APA"). The Mota APA and LR Acquisition APA attached hereto are not in final form and remain subject to continuing negotiation and review by the Debtor, Mota Group, Inc., LR Acquisition, LLC, and the Consultation Parties.

(Signature page follows)

Dated: June 14, 2017

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

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EXHIBIT A

Proposed Order

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

In re:

LILY ROBOTICS, INC.,

Debtor.¹

Chapter 11

Case No. 17-10426 (KJC)

Re. D.I. 58, 169, 210

**ORDER (A) AUTHORIZING THE SALE OF SUBSTANTIALLY ALL OF THE
DEBTOR'S ASSETS FREE AND CLEAR OF LIENS, CLAIMS AND ENCUMBRANCES,
AND OTHER INTERESTS; AND (B) GRANTING RELATED RELIEF**

Upon the motion, dated March 13, 2017 (D.I. 58) (the "Motion"), of the above-captioned debtor and debtor in possession (the "Debtor") pursuant to sections 105(a), 363, 365, 503 and 507 of title 11 of the United States Code (the "Bankruptcy Code"), as supplemented by Rules 2002, 6004, 6006, 9007, and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Rules 2002-1 and 6004-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), for, among other things:

- I. entry of an order (the "Sale Procedures Order")²:
 - a. approving bidding procedures (the "Bidding Procedures") with respect to the sale of substantially all of the Debtor's assets;
 - b. approving the form and manner of the Auction Notice and the requirements for publication thereof;
 - c. approving the Assumption Procedures; and

¹ The last four digits of the Debtor's federal tax identification number are 8604. The Debtor's headquarters and mailing address is c/o Curtis G. Solsvig, III, Goldin Associates, LLC, 350 Fifth Avenue, New York, NY 10118.

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Sale Procedures Order, or if not defined therein, such terms shall have the meanings ascribed to them in the applicable APA executed between the Debtor and each Buyer (as defined below).

- d. scheduling a deadline for bidding on the Debtor's assets, and scheduling an Auction and Sale Hearing.

II. entry of this order (the "Order"):

- a. approving the Sale of the Purchased Assets, free and clear of all liens, claims (including, without limitation, as defined in section 101(5) of the Bankruptcy Code), rights or claims based on any successor or transferee liability, interests, encumbrances, rights, remedies, restrictions, liabilities and contractual commitments of any kind or nature whatsoever, whenever arising, whether at law or in equity; and
- b. granting certain related relief;

and the Court having been held a hearing on April 25, 2017 to consider the relief requested in the Sale Procedures Order; and the Court having entered the Sale Procedures Order (D.I. 213) on April 28, 2017, which, among other things, approved the Bidding Procedures; and the Auction having been held on June 7, 2017, continued telephonically on June 8, 2017 and continued telephonically and closed on June 9, 2017 in accordance with the Sale Procedures Order; and at the conclusion of the Auction, Mota Group, Inc. and LR Acquisition, LLC having each been chosen as a Successful Bidder (each, a "Successful Bidder" or "Buyer") with respect to the Purchased Assets subject to such Buyer's bid and described more particularly in each Successful Bidder's APA (as defined below); and the Debtor having agreed to enter into and consummate an Asset Purchase Agreement with each Successful Bidder attached hereto as Exhibit A and Exhibit B (each, an "APA"); and the Sale Hearing having been held on June 15, 2017 in accordance with the Sale Procedures Order; and upon the Declaration of Curtis Solsvig, Chief Restructuring Officer to the Debtor dated the same day hereof ("Solsvig Declaration In Support of Sales"), and upon the record of the hearing to approve the Sale Procedures Order (the "Sale Procedures Hearing") and the Sale Hearing, and all of the proceedings before this Court; and this Court having reviewed the Motion and any objections thereto and having found and determined that the relief sought in the Motion, and entry of this Order is in the best interests of the Debtor,

the Debtor's estate, its creditors, and other parties in interest; and after due deliberation thereon and sufficient cause appearing therefore, it is hereby:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

IT IS HEREBY DETERMINED, FOUND, ADJUDGED, DECREED, AND ORDERED THAT:

A. Findings and Conclusions: The findings and conclusions set forth herein and in the record of the Sale Hearing constitute the Court's findings of fact and conclusions of law under Rule 52 of the Federal Rules of Civil Procedure, as made applicable herein by Bankruptcy Rules 7052 and 9014. To the extent any of the following conclusions of law constitute findings of fact, or vice versa, they are adopted as such.

B. Jurisdiction, Venue and Core Proceeding: This Court has jurisdiction over this chapter 11 case 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. The matters covered by this order are core proceedings under 28 U.S.C. § 157(b)(2). Venue is proper in this district and before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. Venue in this district and before this Court was proper as of the Petition Date and continues to be proper.

C. Statutory Predicates. The statutory predicates for the relief sought in the Motion are 105, 363, 365, 503 and 507 of the Bankruptcy Code, Rules 2002, 6004, 6006, 9008 and 9014 of the Bankruptcy Rules and Rules 2002-1 and 6004-1 of the Local Rules. The consummation of the transactions contemplated by the Motion, each APA and this Order is legal, valid and properly authorized under all such provisions of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules, and all of the applicable requirements of such sections and rules have been complied with in respect of such transactions.

D. Notice. As evidenced by the affidavits of service and publication filed with the Court, proper, timely, adequate, and sufficient notice of the Motion, the Bidding Procedures, the Sale Procedures Hearing, the Sale Procedures Order, the Sale Hearing, the Sales and all transactions contemplated therein or in connection therewith, and all deadlines related thereto, was given under the particular circumstances and no further notice need be provided. A reasonable opportunity to object or be heard regarding the relief granted by this Order has been afforded to those parties entitled to notice pursuant to the Bankruptcy Code, the Bankruptcy Rules and the Local Rules.

E. Actual written notice of the Motion, the Bidding Procedures, the Sale Procedures Hearing, the Auction, the Sale Hearing, the Sales and all transactions contemplated therein or in connection therewith, and all deadlines related thereto has been given to all interested persons and entities, including, without limitation: (i) the Office of the United States Trustee for the District of Delaware; (ii) counsel to the Committee, (iii) counsel to the DIP Lender; (iv) counsel to the Prepetition Secured Lender; (v) the parties included on the Debtor's consolidated list of thirty (30) largest unsecured creditors; (vi) the Internal Revenue Service; (vii) the United States Attorney for the District of Delaware and in the Northern District of California; (viii) all known parties that may be asserting a lien or interest against any of the Purchased Assets; (ix) any party who has knowingly expressed an interest in purchasing the Purchased Assets; (x) the Attorneys General for Delaware and California; (xi) all parties who have requested notice in this chapter 11 case pursuant to Local Rule 2002-1(b); and (xii) all parties required to be provided notice pursuant to the Sale Procedures Order. Other parties interested in bidding on the Purchased Assets were provided, upon request, sufficient information to make an informed judgment on whether to bid on the Purchased Assets. The foregoing constitutes proper, timely, adequate, and

sufficient notice under the particular circumstances of this case, and no further notice need be provided.

F. The Auction Notice was published in *The San Jose Mercury News* on May 2, 2017. Such publication notice complied with the Sale Procedures Order, and provided sufficient and proper notice to any other interested parties, including those whose identities are unknown to the Debtor.

G. Extensive Efforts by Debtor. The Debtor has worked with its counsel and other advisors to implement a viable transaction, or combination of transactions, that would allow them to maximize the value of the Purchased Assets. The Debtor also worked closely with the Committee and its advisors in marketing the assets. The transactions that are the subject of this Order are the result of the Debtor's extensive efforts in seeking to maximize recoveries to the Debtor's estate, for the benefit of the Debtor's stakeholders.

H. Business Justification. The Debtor has demonstrated compelling circumstances and a good, sufficient, and sound business purpose and justification for each Sale of the Purchased Assets, as applicable, to each Buyer.

I. Sale Procedures Order. On April 28, 2017, this Court entered the Sale Procedures Order approving, among other things, Bidding Procedures for the sale of substantially all of the Debtor's assets. The Bidding Procedures provided a full, fair and reasonable opportunity for any entity to make an offer to purchase the Debtor's assets, including the Purchased Assets.

J. Adequate Marketing; Auction; Consultation; Highest and Best Bids. As demonstrated by (i) the record and any evidence proffered or adduced at the Sale Hearing,

(ii) the Solsvig Declaration In Support of Sales, and (iii) the representations of counsel made on the record at the Sale Procedures Hearing and the Sale Hearing:

- a) the Debtor has adequately marketed the Purchased Assets and conducted the sale process in compliance with the Sale Procedures Order;
- b) a reasonable opportunity has been given to any interested party to make the highest and best offer for the Purchased Assets subject thereto;
- c) on June 7, June 8 and June 9, 2017, the Debtor conducted an Auction of its assets consistent with the terms of the Sale Procedures Order. Representatives of the Debtor, the Unsecured Creditors Committee, the DIP Lender, GoPro, LR Acquisition Inc. and Mota Group, Inc. attended the Auction. A transcript of each day of the Auction is attached to the Solsvig Declaration In Support of Sales as Exhibits A, B & C.
- d) In conducting the Auction and selecting the Successful Bids (as well as any Baseline Bid or Lead Bid during the Auction), the Debtor consulted with the Consultation Parties. The Prepetition Secured Lender did not attend the Auction and was not a Consultation Party at the Auction.
- e) the aggregate consideration provided by the Buyers collectively in the APAs constitutes the highest or otherwise best offer for the Purchased Assets;
- f) the aggregate consideration provided by the Buyers in their APAs collectively constitutes fair and reasonable consideration for the Purchased Assets subject thereto and constitutes reasonably equivalent value under the Bankruptcy Code and under the laws of the United States, any state, territory, possession, or the District of Columbia;

- g) the Sales will provide a greater recovery for the Debtor's creditors with respect to the Purchased Assets than would be provided by any other practically available alternative;
- h) taking into consideration all relevant factors and circumstances, no other entity or combination of entities has offered to purchase the Purchased Assets for greater economic value to the Debtor or its estate than the aggregate Purchase Price provided in the APAs; and
- i) the Debtor's determination that the aggregate Purchase Price provided in both APAs constitute the highest or best offer for the Purchased Assets constitutes a valid and sound exercise of the Debtor's business judgment.

K. Opportunity to Object. A reasonable opportunity to object or be heard with respect to the Motion, and all relief requested therein has been afforded to all interested parties.

L. Property of the Estate. The Purchased Assets are property of the Debtor's estate and title thereto is vested in the Debtor's estate.

M. Sale in Best Interests. The actions taken by the Debtor and each Buyer are appropriate under the circumstances of this chapter 11 case and are in the best interests of the Debtor, its estate and creditors, and other parties in interest. Approval of each APA and of each Sale and all related transactions at this time is in the best interests of the Debtor, its creditors, its estate, and all other parties in interest.

N. Arm's-Length Sale. Each APA, each Sale and the transactions contemplated therein and associated therewith were negotiated, proposed, and entered into by the Debtor and each Buyer without collusion, in good faith, and from arm's-length bargaining positions. Neither the Debtor, its insiders and affiliates, nor either Buyer has engaged in any conduct that would

cause or permit either APA, either Sale, or any part of the transactions thereby to be avoided under section 363(n) of the Bankruptcy Code.

O. Good Faith Buyer. Each Buyer is a good faith buyer under section 363(m) of the Bankruptcy Code and, as such, is entitled to all of the protections afforded thereby.

P. Corporate Authority. The Debtor (i) has full corporate power and authority to execute each APA and all other documents contemplated thereby, and each Sale of the Purchased Assets has been duly and validly authorized by all necessary corporate action of the Debtor, (ii) has all of the corporate power and authority necessary to consummate the transactions contemplated by each APA, (iii) has taken all corporate action necessary to authorize and approve each APA and the consummation by the Debtor of the transactions contemplated thereby, and (iv) needs no consents or approvals, other than those expressly provided for in each APA, which may be waived in accordance with the terms therewith.

Q. Free and Clear Findings Required by each Buyer. Each Buyer would not have entered into the respective APA and would not consummate a Sale if the sale of the Purchased Assets to each Buyer was not, pursuant to section 363(f) of the Bankruptcy Code, free and clear of (i) all liens, claims, pledges, options, charges, hypothecations, easements, security interests, rights-of-way, encroachments, mortgages and deeds of trusts or other encumbrances, other than Permitted Liens (collectively, the “Liens”), (ii) all claims as defined in section 101(5) of the Bankruptcy Code, including all rights or causes of action (whether in law or in equity), warranties, guarantees, indemnities, rights of recovery, setoff, recoupment, indemnity or contribution, obligations, demands, restrictions, indemnification claims or liabilities relating to any act or omission of the Debtor or any other person prior to the Closing, consent rights, options, contract rights, covenants and interests of any kind or nature whatsoever (known or

unknown, matured or unmatured, accrued or contingent and regardless of whether currently exercisable), whether arising prior to or subsequent to the commencement of the above-captioned case, and whether imposed by agreement, understanding, law, equity or otherwise (collectively the “Claims”), and (iii) all debts, liabilities, obligations, contractual rights and claims and labor, employment and pension claims, in each case, whether known or unknown, choate or inchoate, filed or unfiled, scheduled or unscheduled, noticed or unnoticed, recorded or unrecorded, perfected or unperfected, allowed or disallowed, contingent or non-contingent, liquidated or unliquidated, matured or un-matured, material or non-material, disputed or undisputed, whether arising prior to or subsequent to the commencement of this chapter 11 case, and whether imposed by agreement, understanding, law, equity or otherwise (collectively the “Interests”). Each Sale of the Purchased Assets shall be free and clear of, and neither Buyer shall be responsible for, any Liens, Claims or Interests, including, without limitation, in respect of the following: (i) any rights or Claims based on any successor or transferee liability, (ii) any Liens, Claims or Interests that purport to give to any party a right or option to effect any forfeiture, modification, right of first refusal, or termination of the Debtor’s or each Buyer’s interest in the Purchased Assets, or any similar rights; (iii) any labor or employment agreements; (iv) any pension, multiemployer plan (as such term is defined in Section 3(37) or Section 4001(a)(3) of ERISA), health or welfare, compensation or other Benefit Plans, agreements, practices and programs, including, without limitation, any pension plans of the Debtor or any multiemployer plan to which the Debtor has at any time contributed to or had any liability or potential liability; (v) any other employee, worker’s compensation, occupational disease or unemployment or temporary disability related claim, including, without limitation, claims that might otherwise arise under or pursuant to (a) ERISA, (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 Age Discrimination and Employment Act of 1967 and Age Discrimination in Employment Act, as amended, (g) the Americans with Disabilities Act of 1990, (h) Section 4980B of the Internal Revenue Code of 1986 and Part 6 of Title I of ERISA, together in each case, with applicable regulations, in each case, as amended and in effect from time to time (collectively, “COBRA”), (i) state discrimination laws, (j) state unemployment compensation laws or any other similar state laws, or (k) any other state or federal benefits or claims relating to any employment with the Debtor or any of its predecessors; (vii) any bulk sales or similar law; (viii) any tax statutes or ordinances, including, without limitation, the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, and any taxes arising under or out of, in connection with, or in any way relating to the operation of the Purchased Assets prior to the closing; or (ix) any unexpired and executory contract or unexpired lease to which the Debtor is a party. A sale of the Purchased Assets other than one free and clear of all Liens, Claims, and Interests would yield substantially less value for the Debtor’s estate, with less certainty, than the Sales as contemplated. Therefore, the Sale contemplated by each APA free and clear of all Liens, Claims and Interests is in the best interests of the Debtor, its estate and creditors, and all other parties in interest.

R. Binding and Valid Transfer. The transfer of the Purchased Assets to each Buyer will be a legal, valid, and effective transfer of the Purchased Assets and will vest each Buyer with all right, title, and interest of the Debtor to the Purchased Assets free and clear of all Liens, Claims, and Interests and any liabilities of the Debtor.

S. Satisfaction of 363(f) Standards. The Debtor may sell the Purchased Assets to each Buyer free and clear of all Liens, Claims and Interests of any kind or nature whatsoever,

because, in each case, one or more of the standards set forth in section 363(f)(1)-(5) of the Bankruptcy Code has been satisfied. Those holders of Liens, Claims and Interests who did not object, or who withdrew their objections, to the Motion are deemed to have consented pursuant to section 363(f)(2) of the Bankruptcy Code. In all cases, each such person with Liens, Claims or Interests in the Purchased Assets is enjoined from taking any action against each Buyer, and each of their respective affiliates or any agent of the foregoing to recover any such Lien, Claim or Interest.

T. Necessity of Order. Neither Buyer would have entered into an APA and consummate the transactions thereunder without all of the relief provided for in this Order (including, but not limited to, that the transfer of the Purchased Assets to each Buyer be free and clear of all Liens, Claims and Interests). The consummation of the transactions pursuant to this Order and each APA is necessary for the Debtor to maximize the value of its estate for the benefit of all creditors and other parties in interest.

U. Final Order. This Order constitutes a final order within the meaning of 28 U.S.C. § 158(a). Notwithstanding Bankruptcy Rules 6004(h) and 6006(d), the Court expressly finds that there is no just reason for delay in the implementation of this Order and expressly directs entry of judgment as set forth herein.

V. Best Interests. Entry of this Order is in the best interests of the Debtor, the Debtor's estate, its creditors, and other parties in interest.

ORDER

ACCORDINGLY, IT IS HEREBY ORDERED, ADJUDGED, DECREED, AND DETERMINED THAT:

1. Findings of Fact and Conclusions of Law: The above-referenced findings of fact and conclusions of law are hereby incorporated by reference as though fully set forth herein

and shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable herein by Bankruptcy Rule 9014. To the extent that any finding of fact shall be determined to be a conclusion of law, it shall be deemed so, and vice versa.

2. Motion Granted. The Motion is granted and the relief requested therein with respect to each Sale is granted and approved in its entirety, as set forth herein.

3. Objections are Overruled. Any objections to the entry of this Order or to the relief granted herein or the relief requested in the Motion that have not been withdrawn, waived, or settled, or not otherwise resolved pursuant to the terms hereof, if any, hereby are denied and overruled on the merits with prejudice.

4. Approval. Each APA, and all the terms and conditions thereof, is approved. Pursuant to sections 105 and 363 of the Bankruptcy Code, the Debtor is authorized to perform its obligations under, and comply with the terms of, each APA and consummate each Sale and the related transactions pursuant to, and in accordance with, the terms and conditions of each APA and this Order. The Debtor is authorized to execute and deliver, and empowered to perform under, consummate, and implement, each APA, together with all additional instruments and documents that the Debtor or each Buyer deem necessary or appropriate to implement each APA and effectuate the transactions contemplated therein, and to take all further actions as may reasonably be required by each Buyer for the purpose of assigning, transferring, granting, conveying, and conferring to each Buyer or reducing each Buyer's possession the Purchased Assets or as may be necessary or appropriate to the performance of the obligations as contemplated by each APA.

5. Binding Effect of Order. This Order and each APA shall be binding in all respects upon all known and unknown creditors of, and holders of equity security interests in, the

Debtor, including any holders of Liens, Claims and Interests, all successors and assigns of each Buyer, the Debtor, the Purchased Assets, and any trustees appointed in the Debtor's chapter 11 case or upon a conversion to a case under chapter 7 of the Bankruptcy Code, and this Order shall not be subject to amendment or modification and each APA shall not be subject to rejection.

6. Injunction. All persons and entities are prohibited and enjoined from taking any action to adversely affect or interfere with the ability of the Debtor to transfer the Purchased Assets to each Buyer in accordance with each APA and this Order. Following the Closing, all Persons (including, but not limited to, the Debtor, creditors, investors, current and former employees and shareholders, administrative agencies, governmental units, secretaries of state, federal, state, and local officials, including those maintaining any authority relating to any environmental, health and safety laws, and the successors and assigns of each of the foregoing) holding Liens, Claims or Interests in the Purchased Assets or against the Debtor in respect of the Purchased Assets of any kind or nature whatsoever shall be, and hereby are, forever barred, estopped, and permanently enjoined from asserting, prosecuting, or otherwise pursuing any Liens, Claims or Interests of any kind or nature whatsoever against either Buyer or any affiliate of either Buyer or any of its respective property, successors and assigns, or the Purchased Assets, as an alleged successor or on any other grounds. No Person shall assert, and neither Buyer and the Purchased Assets shall be subject to, any defaults, breaches, counterclaims, offsets, defenses (whether contractual or otherwise, including, without limitation, any right of recoupment), liabilities, claims and interests, or basis of any kind or nature whatsoever to delay, defer, or impair any right of either Buyer or the Debtor, or any obligation of any other party, under or with respect to, any Purchased Assets, with respect to any act or omission that occurred prior to the

Closing Time or with respect to any other agreement or any obligation of the Debtor that is not an Assumed Liability.

7. General Assignment. Upon the Closing, this Order shall be construed and shall constitute for any and all purposes a full and complete general assignment, conveyance, and transfer of the Debtor's interests in the Purchased Assets and a bill of sale transferring good and marketable title in the Purchased Assets to each Buyer free and clear of all Liens, Claims and Interests. Each and every federal, state, and local governmental agency, quasi-agency, or department is hereby directed to accept any and all documents and instruments necessary and appropriate to consummate the transactions.

8. Transfer Free and Clear. Pursuant to sections 105(a) and 363(f) of the Bankruptcy Code, the Purchased Assets shall be transferred to each Buyer as required under each APA, and such transfer shall be free and clear of all Liens, Claims, and Interests of any Person, including, without limitation, all such Liens, Claims, and Interests specifically enumerated in paragraph [Q] of this Order, whether arising by agreement, by statute or otherwise and whether occurring or arising before, on or after the Petition Date, whether known or unknown, occurring or arising prior to such transfer, provided, however, that unless otherwise agree to between the Debtor and DIP Lender in accordance with any order approving post-petition financing pursuant to DIP Loan Agreement (as defined below) (and without the consent of either Buyer), all proceeds of each Sale shall be paid to the DIP Lender in cash at Closing for application to the then-outstanding amounts owed by the Debtor to the DIP Lender pursuant to that certain Senior Secured Super Priority Debtor-In-Possession Loan Agreement (the "DIP Loan Agreement") dated as of April 4, 2017, as amended and in effect, and upon repayment in full in cash of all such outstanding amounts owed to the DIP Lender, all remaining Liens, Claims, and Interests of

any Person (including the Liens, Claims, and Interests of the DIP Lender) shall attach to the proceeds of each Sale in the order of their priority, with the same validity, force and effect which they now have against the Purchased Assets (subject to any claims and defenses the Debtor or Committee may possess with respect thereto).

9. Valid Transfer. The transfer of the Purchased Assets to each Buyer pursuant to each APA constitutes a legal, valid, and effective transfer of the Purchased Assets and shall vest each Buyer with all right, title, and interest of the Debtor in and to the Purchased Assets free and clear of all Liens, Claims and Interests of any kind or nature whatsoever.

10. Exculpation and Release. Neither Buyer nor any of its respective affiliates, successors, and assigns, shall have, or incur any liability to, or be subject to any action by, the Debtor or any of its predecessors, successors, or assigns, arising out of the negotiation, investigation, preparation, execution, or delivery of each APA and the entry into and consummation of each Sale, except as expressly provided in each APA and this Order.

11. Direction to Release Interests. Upon the Closing, each of the Debtor's creditors and any other holder of a Lien, Claim or Interest is authorized and directed, without cost to the Debtor or either Buyer to execute such documents and take all other actions as may be necessary to release its Lien, Claim or Interest in the Purchased Assets, if any, as such Lien, Claim or Interest may have been recorded or may otherwise exist. If any person or entity that has filed financing statements, mortgages, mechanic's liens, lis pendens, or other documents or agreements evidencing a Lien, Claim or Interest in the Debtor or the Purchased Assets shall not have delivered to the Debtor prior to the Closing, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, releases of all Liens, Claims and Interests, which the person or entity has with respect to the Debtor or the Purchased

Assets or otherwise, then (i) the Debtor is authorized to execute and file such statements, instruments, releases, and other documents on behalf of the person or entity with respect to the Debtor or the Purchased Assets, and (ii) each Buyer is authorized to file, register, or otherwise record a certified copy of this Order, which shall constitute conclusive evidence of the release of all Liens, Claims and Interests of any kind or nature whatsoever in the Debtor or the Purchased Assets. Each and every federal, state, and local governmental agency or department is hereby directed to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by each APA, including, without limitation, recordation of this Order. This Order shall be binding upon and shall govern the acts of all Persons including without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state, and local officials, and all other Persons who may be required by operation of law, the duties of their office, or contract, to accept, file, register, or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any of such assets or other property interests.

12. No Interference. Following the Closing Time, no holder of any Lien, Claim or Interest in the Purchased Assets shall interfere with either Buyer's title to, or use and enjoyment of, the Purchased Assets based on, or related to, any such Lien, Claim or Interest, or based on any actions the Debtor may take in its chapter 11 case.

13. Surrender of Possession. All entities that are currently, or as of the Closing Time, may be, in possession of some or all of the Purchased Assets are hereby directed to

surrender possession of the Purchased Assets to the relevant Buyer on the Closing, unless such Buyer otherwise agrees.

14. Post-Closing Actions and Transactions. The Debtor and each Buyer, and each of their respective officers, employees, and agents, will be authorized and empowered to take all actions and execute and deliver any and all documents and instruments that either the Debtor or each such Buyer deem necessary or appropriate to implement and effectuate the terms of each APA and this Order. Further, effective as of the Closing, each Buyer, its successors and assigns, shall be designated and appointed the Debtor's true and lawful attorney and attorneys, with full power of substitution, in the Debtor's name and stead, its successors and assigns, to demand and receive any and all of the Purchased Assets, and from time to time institute and prosecute in the name of each Buyer, for the benefit of each Buyer, its successors and assigns, any and all proceedings at law, in equity, or otherwise, that each Buyer, its successors or assigns, may deem proper for the collection or reduction to possession of any of the applicable Purchased Assets, and to do all acts and things with respect to the applicable Purchased Assets that each Buyer, its successors and assigns, shall deem desirable. All of the foregoing powers granted to each Buyer are coupled with an interest and are irrevocable by the Debtor.

15. Sale is Self-Executing. Each Sale is self-executing, and neither the Debtor nor each Buyer shall be required to execute or file releases, termination statements, assignments, consents, or other instruments to effectuate, consummate, and implement the provisions of this Order.

16. No Discriminatory Treatment. To the extent provided by section 525 of the Bankruptcy Code, no governmental unit may deny, revoke, suspend, or refuse to renew any permit, license, or similar grant relating to the operation of the Purchased Assets sold,

transferred, or conveyed to each Buyer on account of the filing or pendency of this chapter 11 case or the consummation of the transactions contemplated by each APA.

17. No Successor Liability. Neither Buyer, nor any of its respective successors or assigns, or any of its respective affiliates shall have any liability for any Lien, Claim or Interest that arose or occurred prior to the Closing, or otherwise is assertable against the Debtor or is related to the Purchased Assets prior to the Closing. Neither Buyer is nor shall be deemed a “successor” to the Debtor or its estate, have, de facto or otherwise, merged with or into the Debtor or be an alter ego or mere continuation or substantial continuation of the Debtor or the enterprise of the Debtor under any theory of law or equity as a result of any action taken in connection with each APA or any of the transactions or documents ancillary thereto or contemplated thereby or in connection with the acquisition of the Purchased Assets.

18. Without limiting the foregoing, and except as otherwise set forth in each APA, neither Buyer shall have any successor, transferee, derivative, or vicarious liabilities of any kind or character for any Liens, Claims or Interests, including under any theory of successor or transferee liability, de facto merger or continuity, whether known or unknown as of the Closing, now existing or hereafter arising, whether fixed or contingent, asserted or unasserted, liquidated or unliquidated, with respect to any of the following: (i) any foreign, federal, state, or local revenue, pension, ERISA, tax, labor, employment, antitrust, environmental, or other law, rule, or regulation (including without limitation filing requirements under any such laws, rules or regulations); (ii) under any products liability law, rule, regulation, or doctrine with respect to the Debtor’s liability under such law, rule, regulation, or doctrine, or under any product warranty liability law or doctrine; (iii) any employment or labor agreements, consulting agreements, severance arrangements, change-in-control agreements, or other similar agreement to which the

Debtor is a party; (iv) any pension, welfare, compensation, or other Benefit Plans, agreements, practices, and programs, including, without limitation, any pension plan of the Debtor; (v) the cessation of the Debtor's operations, dismissal of employees, or termination of employment or labor agreements or pension, welfare, compensation, or other employee benefit plans, agreements, practices and programs, obligations that might otherwise arise from or pursuant to (a) ERISA, (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 Age Discrimination and Employment Act of 1967, (g) the Americans with Disabilities Act of 1990, or (h) COBRA; (vi) environmental liabilities, debts, Claims, or obligations arising from conditions first existing on or prior to the Closing Time (including, without limitation, the presence of hazardous, toxic, polluting, or contamination substances or wastes), which may be asserted on any basis, including, without limitation, under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq.; (vii) any liabilities, debts, or obligations of or required to be paid by the Debtor for any taxes of any kind for any period; (viii) any liabilities, debts, commitments, or obligations for any taxes relating to the operation of the applicable Purchased Assets prior to the Closing; (ix) any bulk sale law; and (x) any litigation.

19. Fair Consideration. The consideration provided by each Buyer for the Purchased Assets under each APA shall be deemed to constitute reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, any state, territory, possession, or the District of Columbia. Neither Sale may be avoided under section 363(n) of the Bankruptcy Code. Neither APA entered into, and neither Sale is being consummated, for the purpose of hindering, delaying, or defrauding creditors of the Debtor under

the Bankruptcy Code or under the laws of the United States, any state, territory, possession thereof, or the District of Columbia, or any other applicable law. Neither the Debtor nor either Buyer have entered into the applicable APA or any agreement contemplated thereby or are consummating each Sale with any fraudulent or otherwise improper purpose, including, without limitation, to evade any pension liabilities. No other person or entity or group of persons or entities has offered to purchase the Purchased Assets for an amount that would provide greater value to the Debtor and its estate than the value provided by each Buyer. The Court's approval of the Motion and each APA are in the best interests of the Debtor, the bankruptcy estate of the Debtor, its creditors and all other parties in interest.

20. Retention of Jurisdiction. This Court retains jurisdiction, pursuant to its statutory powers under 28 U.S.C. § 157(b)(2), to, among other things, interpret, implement, and enforce the terms and provisions of this Order, all amendments thereto, and any waivers and consents thereunder, including, but not limited to, retaining jurisdiction to (i) compel delivery of the applicable Purchased Assets to each Buyer; (ii) interpret, implement, and enforce the provisions of this Order; (iii) protect each Buyer, any of such Buyer's affiliates, or any agent of the foregoing, against any Liens, Claims or Interests against the Debtor or the applicable Purchased Assets of any kind or nature whatsoever and (iv) enter any order under sections 363 and 365 of the Bankruptcy Code.

21. Good Faith Buyer. The transactions contemplated by each APA are undertaken by each Buyer without collusion and 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 in this Order to consummate the transactions shall not affect the validity of the

transactions. Each Buyer is a buyer in good faith of the Purchased Assets and is entitled to all the protections afforded by section 363(m) of the Bankruptcy Code.

22. No Bulk Law Application. No bulk sales law or similar law shall apply in any way to the transactions contemplated by either Sale, either APA, the Motion, and this Order.

23. Inconsistencies with Prior Orders, Pleadings or Agreements. To the extent this Order is inconsistent with any prior order or filing with respect to the Motion in this chapter 11 case, the terms of this Order shall govern and any prior orders shall be deemed amended or otherwise modified to the extent required to permit consummation of each Sale. To the extent there is any inconsistency between the terms of this Order and the terms of either APA (including all ancillary documents executed in connection therewith), the terms of this Order shall govern.

24. Failure to Specify Provisions. The failure to specifically include any particular provisions of each APA in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that each APA be authorized and approved in its entirety.

25. Non-Material Modifications. Each APA and any related agreements, documents, or other instruments may be modified, amended, or supplemented by the parties thereto and in accordance with the terms thereof, without further order of the Court, provided that any such modification, amendment, or supplement does not, based on the Debtor's judgment, have any adverse effect on the Debtor's estate.

26. No Stay of Order. Notwithstanding the provisions of Bankruptcy Rules 6004(h) and 6006(d), this Order shall not be stayed for fourteen (14) days after its entry and shall be effective immediately upon entry, and the Debtor and each Buyer are authorized to close the

transactions immediately upon entry of this Order. Time is of the essence in closing the transactions referenced herein, and the Debtor and each Buyer intend to close the transactions as soon as practicable. This Order is a Final Order and the period in which an appeal must be filed shall commence upon the entry of this Order. Any party objecting to this Order must exercise due diligence in filing an appeal and pursuing a stay, or risk its appeal being foreclosed as moot.

27. Headings: Headings utilized in this Order are for convenience of reference only, and do not constitute a part of this Order for any other purpose.

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

29. Nonseverability. The provisions of this order are nonseverable and mutually dependent.

Dated: _____, 2017
Wilmington, Delaware

THE HONORABLE KEVIN J. CAREY
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT B

Mota APA

ASSET PURCHASE AGREEMENT

by and between

Lily Robotics, Inc.,

as Seller, debtor and debtor-in-possession

and

Mota Group, Inc.

as Buyer

Dated as of June [___], 2017

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Seller's Disclosure Schedules

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this "**Agreement**") is dated as of June [•], 2017 (the "**Agreement Date**") among Mota Group, Inc. ("**Buyer**") and Lily Robotics, Inc., a Delaware corporation, as seller, debtor and debtor-in-possession ("**Seller**").

WITNESSETH:

WHEREAS, Seller was previously engaged in the business of development, sale and marketing of camera enabled drones and related technology (the "**Business**");

WHEREAS, Seller has commenced a case (the "**Chapter 11 Case**") under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. Sections 101 et seq. (the "**Bankruptcy Code**") on February 27, 2017 by filing a voluntary petition with the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**");

WHEREAS, Seller wishes to sell certain of its assets to Buyer, and Buyer wishes to purchase certain of Seller's assets and to assume those liabilities relating to the Business specified herein, all on and subject to the terms and conditions set forth in this Agreement and pursuant to Sections 363 and 365 of the Bankruptcy Code; and

WHEREAS, Seller and Buyer have determined that it is in their respective best interests to consummate the foregoing transaction, and in furtherance thereof, have approved this Agreement and the transactions contemplated hereby.

NOW, THEREFORE, in consideration of the mutual representations, warranties, covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and subject to the terms and conditions hereof, the parties, intending to be legally bound, hereby agree as follows:

ARTICLE I

DEFINITIONS

1.1 Defined Terms. As used herein, the terms below shall have the following respective meanings:

"**Accounts Receivable**" shall have the meaning ascribed to such term in Section 2.2(o).

"**Acquired Intellectual Property**" shall have the meaning ascribed to such term in Section 2.1(a).

"**Acquired Permits**" shall have the meaning ascribed to such term in Section 2.1(c).

"**Affiliate**" shall have the meaning set forth in Section 101 of the Bankruptcy Code.

"**Agreement**" shall have the meaning ascribed to such term in the preamble.

"**Agreement Date**" shall have the meaning ascribed to such term in the preamble.

"**Allocation Dispute**" shall have the meaning ascribed to such term in Section 6.12.

"**Alternate Transaction**" shall mean a transaction or transactions pursuant to which Seller, in one or a series of transactions, sells, transfers, leases or otherwise disposes, directly or indirectly, of all or substantially all of Seller's assets (other than the sale of Inventory in the ordinary course of business and the sale of Excluded Assets), including any transaction pursuant to a Qualified Bid or through any other asset sale, stock sale, debt-for-equity swap, joint venture, financing, reorganization or recapitalization, confirmation of a plan of reorganization or a plan of liquidation in the Chapter 11 Case, or any similar transaction, in each case that would not involve a sale or disposition of the Purchased Assets to Buyer.

"**Assumed Liabilities**" shall have the meaning ascribed to such term in Section 2.3.

"**Assumption Agreement**" shall mean the Assumption Agreement entered into by and among Buyer and Seller, substantially in the form of Exhibit B.

"**Auction**" shall mean the auction for the Purchased Assets to be conducted on the Auction Date in the event of the submission of one or more "Qualified Bids" in accordance with the Procedures Order and as defined in the Bidding Procedures.

"**Auction Date**" shall mean the date of the Auction scheduled by the Bankruptcy Court and set forth in the Procedures Order.

"**Auction Notice**" shall have the meaning ascribed to such term in the Bidding Procedures.

"**Avoidance Actions**" shall have the meaning ascribed to such term in Section 2.2(e).

"**Bankruptcy Code**" shall have the meaning ascribed to such term in the Recitals.

"**Bankruptcy Court**" shall have the meaning ascribed to such term in the Recitals.

"**Bankruptcy Rules**" shall mean the Federal Rules of Bankruptcy Procedure.

"**Benefit Plan**" shall mean any "employee benefit plan" (within the meaning of Section 3(3) of ERISA, including multiemployer plans within the meaning of Section 3(37) of ERISA), and all severance, employment, change in control, fringe benefit, bonus, incentive, deferred compensation, and all other employee compensation and/or benefit plans, programs, policies, agreements and other arrangements, whether or not subject to ERISA, including any funding vehicle therefor now in effect (or required in the future to be established as a result of the transactions contemplated by this Agreement) whether formal or informal, written or oral,

binding or not, under which any present or former employee or independent contractor of Seller or any beneficiary or dependent of such employee, has any present or future right to benefits, contingent or otherwise.

"**Bidding Procedures**" shall have the meaning ascribed to such term in Section 6.2(a).

"**Bill of Sale and Assignment**" shall mean the Bill of Sale and Assignment from Seller for the benefit of Buyer, substantially in the form of Exhibit A.

"**Brand Materials**" means, collectively, all original video and audio recordings, reports, analyses, press, and other materials and works of authorship, if any, and other tangible embodiments of the foregoing, in any form, whether or not specifically listed herein, and all related Content, that are used in, incorporated in, embodied in, displayed by or relate to, or are used or useful in the Business and associated with Seller's name and brand, other than any in the form of Software. For the avoidance of doubt, "Brand Materials" expressly excludes any video or audio recordings related to the Technology or Seller's goods.

"**Business**" shall have the meaning ascribed to such term in the Recitals.

"**Business Day**" shall mean any day other than a Saturday, Sunday or a legal holiday on which banking institutions in the State of New York are authorized or obligated by Law or executive order to close.

"**Buyer**" shall have the meaning ascribed to such term in the preamble.

"**Cash and Cash Equivalents**" shall mean cash, third-party checks, wire transfers and any other funds of Seller, and commercial paper, marketable securities, certificates of deposit and other bank deposits, treasury bills and other cash equivalents of Seller calculated in accordance with GAAP. Cash and Cash Equivalents shall not include credit card receivables.

"**Chapter 11 Case**" shall have the meaning ascribed to such term in the Recitals.

"**Claims**" shall have the meaning ascribed to such term in Section 2.2(e).

"**Closing**" shall have the meaning ascribed to such term in Section 3.1(a).

"**Closing Date**" shall have the meaning ascribed to such term in Section 3.1(a).

"**Closing Time**" shall have the meaning ascribed to such term in Section 3.1(a).

"**COBRA**" shall mean Section 4980B of the Code and Part 6 of Title I of ERISA, together in each case, with applicable regulations, in each case, as amended and in effect from time to time.

"**Code**" shall mean the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

"Confidential Information" shall include all information in any form or medium that relates to Seller, the Business, the Purchased Assets or the Assumed Liabilities, but shall exclude any information that (a) is generally available to, or known by, the public (other than as a result of disclosure in violation of this Agreement or the Confidentiality Agreement); (b) is already in the recipient's possession or comes into recipient's possession on a non-confidential basis (other than as a result of disclosure in violation of this Agreement or the Confidentiality Agreement); (c) is independently developed by the receiving party without reliance in any way on any Confidential Information; or (d) relates to the Excluded Assets.

"Confidentiality Agreement" shall mean that certain Confidentiality Agreement dated June 5, 2017, executed by Mota Group, Inc.

"Content" means any literary, audio, video, and other information, including editorial content, animation, graphics, photographs and artwork, and combinations of any or all of the foregoing, in any tangible or digital formats, excluding freely available graphic, video or text content, such as clip art or graphic images licensed from commercial media vendors.

"Contract" shall mean any lease, license, agreement, contract, contract right, purchase order, obligation, trust, instrument and other similar arrangements, whether or not in written form, that is binding upon a Person or its property.

"Copyright Assignment" shall mean the Copyright Assignment entered into by and among Buyer and Seller, substantially in the form of Exhibit D.

"Copyrights" shall have the meaning ascribed to it in the definition of the term Intellectual Property.

"Customer Deposits" shall mean any and all customer deposits received by Seller from any customer in respect of any order, deposit or reservation by a customer for any company product including, without limitation, any customer deposits to be returned to such customer or any other party pursuant to the Customer Refund Order.

"Customer Lists" shall mean Seller's lists of customers, which include customer names, e-mail addresses and shipping addresses, if available, but excludes any other customer data and information, data collections or databases.

"Customer Refund Order" means an Order of the Bankruptcy Court or provision in a plan of reorganization or a plan of liquidation in the Chapter 11 Case approving Seller's process to refund the funds received by Seller in connection with pre-orders made by its customers.

"Deposit" shall have the meaning ascribed to such term in Section 3.2.

"Disputed Assets" shall have the meaning ascribed to such term in Section 6.12.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

"**Excluded Assets**" shall have the meaning ascribed to such term in Section 2.2.

"**Excluded Claims**" shall have the meaning ascribed to such term in Section 2.2(g).

"**Excluded Intellectual Property**" shall have the meaning ascribed to such term in Section 2.2(a).

"**Excluded Liabilities**" shall have the meaning ascribed to such term in Section 2.4.

"**Final Order**" shall mean an Order of the Bankruptcy Court or other court of competent jurisdiction (a) that is not the subject of a pending appeal, petition for certiorari, motion for reconsideration or other proceeding for review, rehearing or reargument; (b) that has not been reversed, vacated, modified or amended, is not stayed and remains in full force and effect; and (c) either (x) with respect to which the time to appeal, to petition for certiorari, to move for reconsideration or to seek review, rehearing or reargument shall have expired, as a result of which such order shall have become final in accordance with Rule 8002 of the Federal Rules of Bankruptcy Procedure and other applicable Laws; or (y) that shall provide that the terms of the Order shall be immediately effective and enforceable upon entry notwithstanding any Bankruptcy Rule (including, but not limited to, Bankruptcy Rules 6004(h), 6006(d), 7062 or 9014) or Local Rule that might otherwise delay the effectiveness of the Order.

"**GAAP**" shall mean United States generally accepted accounting principles.

"**Governmental Entity**" shall mean any (a) federal, state, local, municipal, foreign or other government; (b) governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official, or entity and any court, arbitrator or other tribunal); or (c) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory, or taxing authority or power of any nature, including any arbitral tribunal.

"**Identified Employees**" shall mean Antoine Balaesque and Henry Bradlow.

"**Intellectual Property**" means any and all intellectual property rights of Seller arising from or in respect of the following: (a) all trademarks, service marks, trade names, service names, brand names, all trade dress rights, logos, and corporate names and general intangibles of a like nature, together with the goodwill associated with any of the foregoing, all applications, registrations and renewals thereof, and material unregistered trademarks (collectively, "**Trademarks**"); (b) copyrights and registrations (if any) relating to Brand Materials and applications therefor (collectively, "**Copyrights**"); (c) Websites and internet domain name registrations, including webhosting and backup data; (d) Customer Lists, (e) all social media accounts and passwords used to access such accounts, including, without limitation, Facebook, Linked-In, Twitter Instagram, and YouTube, to the extent legally and contractually transferable and assignable, and (f) to the extent legally and contractually transferable and assignable, all rights, interests and protections that are associated with, similar to, or required for the exercise of, any of the foregoing.

"Intellectual Property Agreements" means all written Contracts by or through which other Persons grant Seller or Seller grants any other Persons any exclusive or non-exclusive rights or interests in or to any Acquired Intellectual Property.

"Inventory" shall mean any raw materials, supplies, work in process and finished goods owned by Seller, including product models, samples and prototypes.

"Knowledge" with respect to any individual, shall mean the actual knowledge of such individual. The **"Knowledge of Seller"** shall mean the Knowledge of Seller's Chief Restructuring Officer.

"Law" means any federal, state, local or foreign statute, law, ordinance, regulation, rule, code, Order, principle of common law, judgment enacted, promulgated, issued, enforced or entered by any Governmental Entity, or other requirement or rule of law.

"Liabilities" shall mean, as to any Person, all debts, adverse claims, liabilities, commitments, responsibilities and obligations of any kind or nature whatsoever, direct, indirect, absolute or contingent, of such Person, whether accrued, vested or otherwise, whether known or unknown, and whether or not actually reflected, or required to be reflected, in such Person's balance sheets or other books and records.

"Lien" shall mean any claim, pledge, option, charge, hypothecation, easement, security interest, right-of-way, encroachment, mortgage and deed of trust or other encumbrance.

"LRA APA" means that certain asset purchase agreement dated on or around the Agreement Date, between Seller and LR Acquisition, LLC.

"Material Adverse Effect" shall mean the effect of any event, condition or circumstance that, taken alone or in conjunction with other events, conditions or circumstances: (a) has or would reasonably be expected to have a material adverse effect on (i) the Purchased Assets, business, operations, properties, assets, liabilities or financial condition of Buyer; or (ii) the enforceability of this Agreement; (b) materially impairs the ability of Buyer to perform its obligations under this Agreement; or (c) otherwise materially impairs the ability of Buyer to enforce this Agreement or collect the Purchase Price, other than (w) events, changes, conditions or effects affecting the United States economy generally or the industry in which Seller operates; (x) the commencement of the Chapter 11 Case and the subsequent conduct of the Business in accordance with the Bankruptcy Code, applicable Bankruptcy Rules and one or more orders of the Bankruptcy Court; (y) the taking of any action contemplated by this Agreement or any other document or instrument hereunder or the failure to take any action not taken hereunder due to the failure of any party hereto to consent thereto; or (z) changes as a result of the negotiation, announcement, pendency, performance, or covenants of the transactions contemplated by this Agreement, including by reason of the identity of Buyer or any of its Affiliates or any communication by Buyer or any of its Affiliates of their plans or intentions regarding the operation of the Business.

"Material Contracts" shall have the meaning ascribed to that term in Section 4.7.

"Notice" shall have the meaning ascribed to that term in Section 9.5.

"**Order**" shall mean any judgment, order, injunction, writ, ruling, verdict, decree, stipulation or award of any Governmental Entity or private arbitration tribunal.

"**Patents**" shall mean any and all intellectual property rights of Seller arising from or in respect of all patents and applications therefor, including continuations, divisionals, continuations-in-part, or reissues of patent applications and patents issuing thereon.

"**Permitted Liens**" shall mean (a) statutory Liens for current Taxes, assessments or other governmental charges not yet due and payable or the amount or validity of which is being contested in good faith; (b) zoning, entitlement and other land use and environmental regulations or designations by any Governmental Entity provided that such regulations or designations have not been violated, which in each case do not materially interfere with the operation of the Business as currently conducted; (c) title of a lessor under a capital or operating lease; (d) mortgages, security interests and Liens arising from and related to any Assumed Liabilities; and (e) Liens in favor of Silicon Valley Bank and Spark Capital IV, LP to be released on the Closing Date.

"**Person**" shall mean an individual, partnership, joint venture, corporation, business trust, limited liability company, trust, unincorporated organization, joint stock company, labor union, estate, Governmental Entity or other entity.

"**Privileged Documents**" shall have the meaning ascribed to such term in Section 2.5.

"**Procedures Order**" shall have the meaning ascribed to such term in Section 6.2(a).

"**Proceeding**" shall mean any action, arbitration, audit, hearing, investigation, litigation or suit (whether civil, criminal, administrative, investigative or informal) commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Entity or arbitrator.

"**Purchase Price**" shall have the meaning ascribed to such term in Section 3.3.

"**Purchased Assets**" shall have the meaning ascribed to such term in Section 2.1.

"**Qualified Bid**" shall have the meaning ascribed to such term in the Bidding Procedures.

"**Registered Intellectual Property**" means all Trademarks, Copyrights and domain names owned by Seller that have been registered, filed, certified or otherwise perfected or recorded with or by any Governmental Entity or quasi-public legal authority (including domain name registrars), and any applications for any of the foregoing.

"**Representative**" shall mean, with respect to any Person, such Person's officers, directors, employees, agents and representatives (including any investment banker, financial advisor, accountant, legal counsel, agent, representative or expert retained by or acting on behalf of such Person or its subsidiaries).

"**Sale Hearing**" shall mean the hearing to consider entry of the Sale Order.

"**Sale Order**" shall have the meaning ascribed to such term in Section 7.1(c).

"**Sealed Assets**" shall have the meaning ascribed to such term in Section 3.1(b).

"**Seller**" shall have the meaning ascribed to such term in the preamble.

"**Seller's Disclosure Schedule**" shall have the meaning ascribed to such term in the opening paragraph of ARTICLE IV.

"**Software**" means, except to the extent generally available for purchase from a third Person, and except to the extent related to drone operation or production (including firmware), or otherwise to Seller's Technology or goods, any and all of the following to the extent related to the Websites [or Brand Materials]¹ (a) computer programs, including any and all software implementations of algorithms, models and methodologies, whether in source code or object code; (b) descriptions, flow-charts and other work product used to design, plan, organize and develop any of the foregoing, screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons; and (c) all documentation including user manuals and other training documentation related to any of the foregoing. For the avoidance of doubt, "Software" shall not include any third-party software or services (such as cloud services) or any other Software that is not legally or contractually transferable or assignable.

"**Tax**" or "**Taxes**" shall mean any current, deferred, federal, state, county, local, foreign and other taxes, assessments, duties or charges of any kind whatsoever, including, without limitation, income, profits, gains, net worth, sales and use, *ad valorem*, gross receipts, business and occupation, license, minimum, alternative minimum, environmental, estimated, stamp, custom duties, occupation, property (real or personal), franchise, capital stock, license, excise, value added, payroll, employees, income withholding, social security, unemployment or other tax, together with any penalty, addition to tax or interest on the foregoing.

"**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.

"**Technology**" means, collectively, all designs, formulae, algorithms, procedures, methods, techniques, ideas, know-how, research and development, technical data, programs, subroutines, tools, materials, specifications, processes, inventions (whether patentable or unpatentable and whether or not reduced to practice), apparatus, creations, improvements, works of authorship and other similar materials, and all recordings, graphs, drawings, reports, analyses, and other writings, and other tangible embodiments of the foregoing, in any form whether or not specifically listed herein, and all related technology, that are used in, incorporated in, embodied in, displayed by or relate to, or are used or useful in the Business, other than any in the form of Software. For the avoidance of doubt, "Technology" expressly excludes Websites and Seller's Brand Materials.

¹ To be confirmed with the Company.

"**Trademark Assignment**" shall mean the Trademark Assignment by and among Buyer and Seller, substantially in the form of Exhibit C.

"**Trademarks**" shall have the meaning ascribed to such term in the definition of Intellectual Property. Without limitation, such "Trademarks" include the registrations and applications therefor listed on Schedule 4.8(a)(i).

"**Transfer Tax**" or "**Transfer Taxes**" shall mean any federal, state, county, local, foreign and other sales, excise, use, transfer, conveyance, documentary transfer, recording or other similar Tax, fee or charge imposed upon the sale, transfer or assignment of property or any interest therein or the recording thereof, and any penalty, addition to Tax or interest with respect thereto, but such term shall not include any Tax on, based upon or measured by, the net income, gains or profits from such sale, transfer or assignment of the property or any interest therein.

"**Websites**" shall mean all websites owned or controlled by Seller, and all Content, encryption keys, [integration information] and pages contained within each of those websites, hosted anywhere in the world, in each case to the extent legally and contractually transferable and assignable. For each Website, the Content and pages shall include, to the extent legally and contractually transferable and assignable, all computer files and documentation for the current version of the Website and all archived Content and pages in Seller's possession or control.

1.2 Other Definitional Provisions.

(a) The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(b) The meanings given to terms defined herein shall be equally applicable to both singular and plural forms of such terms.

(c) Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation."

(d) Words denoting any gender shall include all genders. Where a word or phrase is defined herein, each of its other grammatical forms shall have a corresponding meaning.

(e) A reference to any party to this Agreement or any other agreement or document shall include such party's successors and permitted assigns.

(f) A reference to any legislation or to any provision of any legislation shall include any modification or re-enactment thereof, any legislative provision substituted therefor and all regulations and statutory instruments issued thereunder or pursuant thereto.

(g) All references to "\$" and "Dollars" shall be deemed to refer to the currency of the United States of America.

(h) All references to any financial or accounting terms shall be defined in accordance with GAAP except as otherwise specifically defined herein.

ARTICLE II

TRANSFER OF ASSETS AND LIABILITIES

2.1 Assets to be Acquired. At the Closing, and upon the terms and conditions set forth herein and subject to the approval of the Bankruptcy Court pursuant to Sections 105, 363 and 365 of the Bankruptcy Code, Seller shall sell, convey, assign, transfer and deliver to Buyer, and Buyer shall purchase, acquire and accept, all of the right, title and interest of Seller, free and clear of all Liens (other than Permitted Liens), in, to and under each and all of the Purchased Assets. "**Purchased Assets**" shall mean all right, title and interest of Seller in, to and under the following assets at the Closing Time, but shall exclude the Excluded Assets as set forth in Section 2.2:

(a) All (i) Intellectual Property, including, without limitation, the Intellectual Property listed on Schedule 4.8(a)(i), (ii) Brand Materials and (iii) Software, including, without limitation, the Software set forth on Schedule 2.1(a) owned by Seller that are used or held for use in connection with the Business, to the full extent, if any, such Software is legally and contractually transferable or assignable, and any accrued Claims or causes of action to enforce or protect any such Intellectual Property, but specifically excluding the Excluded Intellectual Property (the "**Acquired Intellectual Property**");

(b) Seller's Customer Lists;

(c) All licenses, permits, franchises and other authorizations of any Governmental Entity relating to the Purchased Assets, and all pending applications therefor (the "**Acquired Permits**"), to the full extent, if any, such Acquired Permits are legally and contractually transferable or assignable;

(d) Subject to Section 6.3(b), to the extent the transfer to Buyer is not prohibited by Law (giving effect to any obtained Orders or consents to transfer), copies or originals of all books, records, files or papers of Seller, whether in hard copy or electronic format, relating to the Purchased Assets, including, sales and promotional literature, manuals and data, catalogues, sales and marketing research material, URLs, all login information needed to access and use Seller's social media accounts (to the extent legally and contractually transferable), and sales and marketing studies and documents [and distribution or public relations contact lists];

(e) The amount of and all rights to any insurance proceeds received or entitled to be received by Seller after the date hereof related to any of the Purchased Assets, but excluding any rights to insurance proceeds with respect to Seller's directors and officers liability insurance policies;

² To be confirmed by the Company.

(f) All rights of Seller under all warranties (expressed or implied), representations, indemnities, or guaranties made by third parties to or for the benefit of Seller with respect to the Purchased Assets; and

(g) All goodwill related to the foregoing.

2.2 Excluded Assets. Seller shall retain, and Buyer shall not purchase, Seller's right, title and interest in or to any of the following assets and properties of Seller (collectively, the "**Excluded Assets**"), all of which shall remain the exclusive property of Seller, free and clear of any Claim of Buyer:

(a) Any Intellectual Property or other assets that are specifically identified on Schedule 2.2(a) (the "Excluded Intellectual Property");

(b) All Cash and Cash Equivalents as of the Closing Time;

(c) All Customer Deposits;

(d) Any Contracts;

(e) All rights, demands, claims, actions and causes of action (collectively, the "**Claims**") that Seller or any of its Affiliates may have against any third party, including any Governmental Entity, under Chapter 5 of the Bankruptcy Code (collectively, the "**Avoidance Actions**");

(f) All Claims that Seller or any of its Affiliates may have against any Person (including Governmental Entities) for refund or credit of any type with respect to Taxes accrued with respect to periods ending on or prior to the Closing Time;

(g) All Claims which Seller or any of its Affiliates may have against any Person (other than Buyer and its Affiliates) solely with respect to any Excluded Assets (the "**Excluded Claims**");

(h) Except as provided in Section 2.1(e), all insurance policies, insurance Claims and proceeds of insurance policies owned by Seller;

(i) Loans owed to Seller by any employee or director of Seller and any intercompany loans;

(j) All rights of Seller under this Agreement and the agreements, instruments and other documents delivered to Seller by Buyer pursuant to this Agreement or the transactions contemplated hereby;

(k) The company seal, minute books, charter documents, stock or equity record books and such other books and records as pertain to the organization, existence or capitalization of Seller;

(l) All Benefit Plans or other employee or independent contractor arrangements and trusts or other assets related thereto (including without limitation, insurance policies and employee restrictive covenants in favor of Seller and/or its Affiliates), and Seller's directors and officers liability insurance policies;

(m) All capital stock of Seller, including any options, warrants or other securities exchangeable or convertible into capital stock of Seller;

(n) Seller's bank accounts;

(o) All accounts receivable of Seller and all other rights of Seller to payment, including credit card receivables ("**Accounts Receivable**"), all other rights of Seller to receive payment in respect of any Claims and all rights in respect of prepaid items however evidenced, whether by notes, instruments, chattel paper or otherwise;

(p) All Patents;

(q) All Seller's right, title and interest in, to and under any and all (i) Software other than the Software expressly included in the Purchased Assets, and (ii) Technology;

(r) All Inventory; and

(s) All Privileged Documents.

2.3 Liabilities to be Assumed by Buyer. At the Closing, Buyer will assume only the following Liabilities of Seller (the "**Assumed Liabilities**") and no others: all Liabilities of Seller which arise after the Closing Time under the Acquired Intellectual Property.

2.4 Excluded Liabilities. Other than the Assumed Liabilities, Buyer shall not and does not assume any other Liability whatsoever (including Liabilities relating to the conduct of the Business or to the Purchased Assets (and the use thereof) at any time on or prior to the Closing Time), whether relating to or arising out of the Business or Purchased Assets or otherwise, fixed or contingent, disclosed or undisclosed (collectively, the "**Excluded Liabilities**").

2.5 Return of Excluded Assets; Privileged Information. If Seller or Buyer determine after the Closing that books, records or other materials or assets (whether tangible or intangible, in whatever form or media, including electronic) constituting Excluded Assets were delivered to Buyer, Buyer shall promptly return them to Seller. In furtherance and not in limitation of the foregoing, Seller and Buyer acknowledge and agree that it is neither Seller's or Buyer's intention to sell, assign, transfer, convey or deliver possession of any documents, information or communications of Seller that is subject to Seller's attorney-client privilege or the work-product immunity doctrine ("**Privileged Documents**"). In the event it is discovered that any such Privileged Documents have been inadvertently or unintentionally turned over to Buyer, Buyer shall promptly return to Seller or destroy such Privileged Documents.

ARTICLE III

CLOSING AND PURCHASE PRICE

3.1 Closing; Transfer of Possession; Certain Deliveries.

(a) Unless this Agreement shall have been terminated and the transactions herein contemplated shall have been abandoned pursuant to ARTICLE VIII hereof, the closing of the transactions contemplated herein (the "**Closing**") shall take place at 10:00 a.m. (eastern daylight time) on a date (the "**Closing Date**") to be mutually agreed upon by the parties, which date shall not be later than the first Business Day after all the conditions set forth in ARTICLE VII hereof (excluding, but subject to the satisfaction or waiver of, conditions that, by their nature, are to be satisfied at the Closing) shall have been satisfied or waived, unless another time or date is agreed to in writing by the parties. The Closing shall be held at the offices of Orrick, Herrington & Sutcliffe LLP, located at 51 West 52nd Street, New York, NY, 10019-6142, United States of America, unless otherwise mutually agreed to by the parties. The Closing shall be effective as of 12:01 a.m. (eastern daylight time) on the Closing Date (the "**Closing Time**").

(b) On or before the date which is two (2) Business Days prior to the Closing Date, Seller shall deliver, or shall cause to be delivered to Buyer's legal counsel, (i) a copy of Buyer's Customer Lists, and (ii) login information for Buyer's social media sites (collectively, the "**Sealed Assets**"), for the sole purpose of enabling Buyer's legal counsel to review whether the Customer Lists are consistent in form and content with Seller's representation in Section 4.12 and whether such login information is accurate and sufficient to access Seller's social media accounts. Buyer's legal counsel must agree to maintain such information for attorney's eyes only and agree (email confirmation prior to the Seller providing the Sealed Assets to Buyer would be acceptable) not to share any such information with Buyer prior to the Closing.

(c) At the Closing, Seller shall deliver, or shall cause to be delivered, to Buyer the following:

(i) a duly executed Bill of Sale and Assignment, substantially in the form of Exhibit A attached hereto, transferring the Purchased Assets to Buyer;

(ii) a duly executed Assumption Agreement, substantially in the form of Exhibit B hereto;

(iii) a Trademark Assignment, substantially in the form of Exhibit C hereto, duly executed by Seller, including a separate Trademark Assignment suitable for recording with regard to each jurisdiction and each recordable right or interest, such as each Trademark registration, each application to register a Trademark, or each recorded or recordable license interest;

(iv) a Copyright Assignment, substantially in the form of Exhibit D hereto, duly executed by Seller;

(v) a certificate of Seller, dated as of the Closing Date, signed by the Chief Restructuring Officer of Seller, certifying that conditions specified in Section 7.1(a) and Section 7.1(b) hereof have been fulfilled;

(vi) a copy of the resolutions adopted by the Special Committee of the Board of Directors of Seller authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, certified by the independent director of Seller as of the Closing Date;

(vii) the executed consents listed on Schedule 4.4;

(viii) all other instruments reasonably requested by Buyer of conveyance and transfer, in form and substance reasonably acceptable to Buyer, as are necessary to convey the Purchased Assets to Buyer; and

(ix) such other closing instruments and certificates as may be reasonably requested by Buyer no later than three (3) Business Days prior to the Closing Date.

(d) At the Closing, Buyer shall deliver, or shall cause to be delivered to Seller, the following:

(i) a wire transfer of immediately available funds to the account or accounts designated by Seller, an amount equal to the Purchase Price;

(ii) the Assumption Agreement, duly executed by Buyer;

(iii) a certificate of Buyer, dated as of the Closing Date, signed by the President or Chief Financial Officer of Buyer, certifying that conditions specified in Section 7.2(a) and Section 7.2(b) hereof have been fulfilled;

(iv) a copy of the resolutions adopted by the Board of Directors of Buyer authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, certified by the Secretary or an Assistant Secretary of Buyer as of the Closing Date; and

(v) such other closing instruments and certificates as may be reasonably requested by Seller.

3.2 Deposit. On the Agreement Date, Buyer shall deposit an amount in cash equal to ONE HUNDRED FIFTY THOUSAND Dollars (\$150,000.00) by wire transfer of immediately available funds to a bank account designated by Seller in writing to Buyer or certified check, as an earnest money deposit (the "**Deposit**"). The Deposit (together with all accrued investment income or interest thereon) shall be distributed as follows:

(a) if the Closing shall occur, then the Deposit, together with all accrued investment income or interest thereon shall be (i) delivered to Buyer at the Closing; or (ii) released to Seller and offset from the payment of the Purchase Price at the Closing;

(b) if this Agreement is terminated by Seller pursuant to Section 8.1(c)(iii), then the Deposit, together with all accrued investment income or interest thereon, shall be delivered to Seller; or

(c) if this Agreement is terminated by Buyer pursuant to Section 8.1(b), or by Seller pursuant to Section 8.1(c), other than a termination pursuant to Section 8.1(c)(iii), then the Deposit, together with all accrued investment income or interest thereon, shall be returned to Buyer.

3.3 Purchase Price. The purchase price hereunder (the "**Purchase Price**") shall be an amount in cash equal to THREE HUNDRED THOUSAND Dollars (\$300,000.00).

3.4 Allocation of Purchase Price. The Purchase Price shall be allocated in accordance with Exhibit H. Buyer and Seller acknowledge that the Purchase Price allocations were determined pursuant to arm's length bargaining regarding the fair market values of the Purchased Assets. Buyer and Seller each shall report and file all Tax Returns (including amended Tax Returns and Claims for refund) and shall cooperate in the filing of any forms (including Internal Revenue Service Form 8594) consistent with the Purchase Price allocations set forth in Exhibit H, and shall take no position contrary thereto or inconsistent therewith (including, without limitation, in any audits or examinations by any taxing authority or any other proceedings).

3.5 Access to Websites and Social Media. Notwithstanding anything to the contrary set forth herein, the Parties agree that from and after the Closing and continuing until the termination of the Chapter 11 Case, Seller shall continue and Buyer will allow Seller to have access to Seller's social media accounts (including Facebook, Twitter and LinkedIn)³, for the purpose of providing notices and any other type of communication to its creditors and other parties in interest that are related to the Chapter 11 Case. During this period, Buyer shall provide Seller with up to date login information for such accounts.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF SELLER

Except as set forth in the Seller's Disclosure Schedule delivered to Buyer concurrently herewith ("**Seller's Disclosure Schedule**"), Seller hereby represents and warrants to Buyer as follows (Seller's Disclosure Schedule shall be arranged in paragraphs corresponding to the section numbers contained in this ARTICLE IV, but, regardless of the existence of cross-references or the lack thereof, the disclosure in any paragraph shall qualify as disclosure for any other section of this ARTICLE IV so long as such disclosure contains sufficient information so as to enable a reasonable person to determine that such disclosure qualifies or otherwise applies to other sections of this ARTICLE IV):

4.1 Organization and Good Standing. Other than as a result of the Chapter 11 Case, Seller (a) is a corporation duly organized, validly existing and in good standing under the laws of Delaware; and (b) subject to any necessary authorizations from the Bankruptcy Court, has full

³ To be confirmed by the Company.

corporate power and authority to own, lease and operate its properties, and carry on the Business as it is now being conducted.

4.2 Execution and Effect of Agreement. Subject to obtaining Bankruptcy Court approval pursuant to the Sale Order, Seller has the requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder, and the execution and delivery of this Agreement by Seller and the consummation by Seller of the transactions contemplated hereby and the performance of Seller's obligations hereunder have been duly authorized by all requisite corporate action on the part of Seller. This Agreement has been duly executed and delivered by Seller and (assuming the due and valid authorization, execution and delivery thereof by the other parties thereto), following the approval of this Agreement and the transactions contemplated hereby by the Bankruptcy Court pursuant to the Sale Order, will constitute the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms.

4.3 No Contravention. Subject to obtaining the approval of the Bankruptcy Court pursuant to the Sale Order, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (a) violate or conflict with any provision of Seller's certificate of incorporation or bylaws; (b) (with or without the giving of notice or the lapse of time or both) violate, or result in a breach of, or constitute a default under, or conflict with, or accelerate the performance required by, any of the terms of any Acquired Intellectual Property; (c) violate or conflict with any Order of any court, Governmental Entity or arbitrator, or any Law applicable to Seller; or (d) result in the creation of any Lien upon any of the Purchased Assets.

4.4 Third Party Approvals. Except for (a) entry of the Sale Order; and (b) any third party consents or approvals as are reflected on Schedule 4.4 hereto, the execution, delivery and performance by Seller of this Agreement and the transactions contemplated hereby do not require any consents, waivers, authorizations or approvals of any third Persons which will not be obtained by Seller prior to Closing.

4.5 Subsidiaries. Seller has no Subsidiaries or owns, directly or indirectly, any capital stock or subordinated debt of, or other equity interests in, any Person, or is a member of or participant in any Person.

4.6 Title to Purchased Assets. Subject to entry of the Sale Order, Buyer will be vested, and at Closing will have, good title to each of the Purchased Assets (except for those Purchased Assets that are leased or licensed to Seller, as to which Seller has, and at the Closing will have, valid licensed or leasehold interests), free and clear of all Liens to the fullest extent permitted under Section 363(f) of the Bankruptcy Code, other than Permitted Liens.

4.7 Contracts. Schedule 4.7 sets forth a true and complete list of all material contracts (together with all Intellectual Property Agreements listed on Schedule 4.8(a), the "**Material Contracts**"). Copies of all Material Contracts in effect as of the date hereof in Seller's possession have been provided or made available by Seller to Buyer.

4.8 Intellectual Property.

(a) Schedule 4.8(a) hereto identifies all: (i) Registered Intellectual Property; (ii) material unregistered Trademarks; and (iii) material Intellectual Property Agreements; in each of (i) through (iii), used or held for use in the Business by Seller.

(b) To the Knowledge of Seller, (i) Seller is the owner of, or has sufficient right to use, all Acquired Intellectual Property; and (ii) the operation of the Business as it is currently conducted by Seller does not infringe or misappropriate any Intellectual Property of any Person, except, with respect to this clause (b), as would not reasonably be expected to result in a Material Adverse Effect.

4.9 Labor Matters. Seller is not a party to any labor or collective bargaining agreement with respect to its employees. None of the Identified Employees is represented by a union or other labor organization and, to the Knowledge of Seller, there is not presently and has not been at any time during the preceding twelve (12) months any union organizing activity or written demand or petition for recognition by or on behalf of any union or other labor organization, with respect to any of the Identified Employees.

4.10 Broker's Fees and Restructuring Payments. Except as identified on Schedule 4.10, Seller has not entered into any Contract (nor has any Person made any arrangement that would be binding upon Seller) to pay any fees or commissions to any broker, finder, consultant, intermediary, or agent with respect to the transactions contemplated by this Agreement for which Buyer could become liable or obligated to pay. The Bankruptcy Court has approved Seller's retention of Goldin Associates, LLC as Seller's financial advisor and Chief Restructuring Officer to assist in the sale of the Purchased Assets and Seller is responsible for any fees and costs due to such financial advisor and Chief Restructuring Officer.

4.11 No Other Representations or Warranties. Except for the representations and warranties contained in this ARTICLE IV (as qualified, amended, supplemented and modified by the Seller's Disclosure Schedule), neither Seller nor any other Person makes (and Buyer is not relying upon) any other express or implied representation or warranty with respect to Seller, the Business, the Purchased Assets (including the value or condition of any Purchased Asset) or the transactions contemplated by this Agreement, and Seller disclaims any other representations or warranties, whether made by Seller, any Affiliate of Seller or any of their respective officers, directors, employees, agents or Representatives. Except for the representations and warranties contained in this ARTICLE IV (as qualified, amended, supplemented and modified by the Seller's Disclosure Schedule), Seller (a) expressly disclaims and negates any representation or warranty, express or implied, at common law, by statute or otherwise, relating to the condition (including the environmental condition) of the Purchased Assets (including any implied or expressed warranty of title, merchantability or fitness for a particular purpose, or of the probable success or profitability of the ownership, use or operation of the Business, the Purchased Assets by Buyer after the Closing); and (b) disclaims all liability and responsibility for any representation, warranty, projection, forecast, statement or information made, communicated or furnished (orally or in writing) to Buyer or its Affiliates or Representatives (including any opinion, information, projection or advice that may have been or may be provided to Buyer by any director, officer, employee, agent, consultant or Representative of Seller or any of its Affiliates).

4.12 Customer Lists. Seller represents and warrants that the Customer Lists contain at least 30,000 customer names of customers who previously placed orders with Seller, together with electronic mail addresses and mailing addresses for such customers.⁴

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Seller as follows:

5.1 Organization and Good Standing. Buyer is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of formation, and has full corporate power and authority to own, lease and operate its properties and carry on its business as it is now being conducted.

5.2 Execution and Effect of Agreement. Buyer has the requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder, and the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby and the performance of Buyer's obligations hereunder have been duly authorized by all requisite corporate action on the part of Buyer. This Agreement has been duly executed and delivered by Buyer and constitutes (assuming the due and valid authorization, execution and delivery thereof by the other parties thereto and the entry of approval of this Agreement and the transactions contemplated hereby by the Bankruptcy Court pursuant to the Sale Order) a legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms.

5.3 No Contravention. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (a) violate or conflict with any provision of Buyer's certificate of incorporation; (b) (with or without the giving of notice or the lapse of time or both) violate, or result in a breach of, or constitute a default under, or conflict with, or accelerate the performance required by, any of the terms of any material Contract to which Buyer is a party or by which it is bound; or (c) violate or conflict with any Order, Governmental Entity or arbitrator, or any Law applicable to Buyer.

5.4 Third Party Approvals. The execution, delivery and performance by Buyer of this Agreement and the transactions contemplated hereby do not require any consents, waivers, authorizations or approvals of, or filings with, any third Persons which have not been obtained by Buyer.

5.5 Funds. Buyer, as of the Closing Time, will have sufficient unrestricted funds to consummate the transactions contemplated by this Agreement.

5.6 Good Faith Purchaser. Buyer is a "good faith" purchaser, as such term is used in the Bankruptcy Code and the court decisions thereunder. Buyer is entitled to the protections of section 363(m) of the Bankruptcy Code with respect to all of the Purchased Assets. Buyer has negotiated and entered into this Agreement in good faith and without collusion or fraud of any kind.

⁴ To be confirmed by the Company.

5.7 Due Diligence. Buyer: (a) had an opportunity to conduct any and all required due diligence regarding the Purchased Assets prior to making its offer; (b) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Purchased Assets in making its bid; (c) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Purchased Assets or the completeness of any information provided in connection therewith or with the Auction, except as expressly stated in this Agreement; and (d) is not entitled to any expense reimbursement, break-up fee, or similar type of payment in connection with its offer.

5.8 As Is Transaction. BUYER HEREBY ACKNOWLEDGES AND AGREES THAT EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT, (A) THE PURCHASED ASSETS AND ASSUMED LIABILITIES ARE BEING SOLD ON AN "AS IS", "WHERE IS" BASIS WITH RESPECT TO SELLER AND (B) SELLER DOES NOT MAKE ANY OTHER REPRESENTATIONS OR WARRANTIES, INCLUDING MERCHANTABILITY, FITNESS OR OTHERWISE WITH RESPECT TO THE PURCHASED ASSETS.

ARTICLE VI

COVENANTS OF THE PARTIES

6.1 Conduct of Business Pending the Closing.

(a) Except as required pursuant to Order of the Bankruptcy Court, including without limitation, any Customer Refund Order approving the refund of the Customer Deposits, during the period from the date of this Agreement and continuing until the earlier of the termination of this Agreement in accordance with its terms or the Closing, Seller shall use commercially reasonable efforts to preserve the Purchased Assets.

(b) This Section 6.1 as well as any representation, warranty, covenant, schedule or closing condition contained in this Agreement shall not apply to any Excluded Assets, except, however, to the extent a provision of this Section 6.1 or such representation, warranty, covenant, schedule or closing condition makes specific reference to an Excluded Asset (or category of Excluded Assets) or to operations relating to an Excluded Asset (or category of Excluded Assets) (including, in the case of a closing condition, where a closing condition is based upon such representation, warranty, covenant or schedule).

6.2 Bankruptcy Court Order.

(a) Buyer acknowledges that it has received and reviewed Seller's motion filed with the Bankruptcy Court seeking to approve the Bidding Procedures attached hereto as Exhibit E (the "**Bidding Procedures**"), the Auction Notice, and the Order approving such motion (the "**Procedures Order**") attached hereto as Exhibit F (as may be amended or extended from time to time); and

(b) Provided that Buyer is the Successful Bidder (as defined in the Procedures Order), each of the parties hereto agrees to file this Agreement with the Bankruptcy Court promptly following execution by the parties.

6.3 Access.

(a) Subject to applicable Law, from the date hereof until the Closing Time, Seller (i) shall give Buyer and its Representatives reasonable access during normal business hours to the offices, properties, officers, employees, accountants, auditors, counsel (other than counsel to Seller in connection with the Chapter 11 Case) and other representatives, books and records of Seller; (ii) shall furnish to Buyer and its Representatives such financial, operating and property related data and other information as such persons reasonably request, including the names of all professional advisors to Seller for the purpose of enabling Buyer to transfer and use the Purchased Assets; and (iii) shall instruct Seller's current employees, counsel and financial advisors to cooperate reasonably with Buyer in its investigation of the Purchased Assets. All such information shall be provided subject to the provisions of the Confidentiality Agreement.

(b) From and after the Closing Time, Buyer shall give Seller and Seller's Representative reasonable access during normal business hours to the books and records pertaining to the Purchased Assets and Assumed Liabilities and, to the extent that Buyer is in possession of such information, books and records pertaining to the Excluded Assets and Excluded Liabilities. Buyer shall, and shall cause each of its Affiliates to, cooperate with Seller as may reasonably be requested by Seller for such purposes. Any other provision of this Agreement notwithstanding, Seller's rights under this Section 6.3 are fully assignable by Seller to any estate representative, including, without limitation, an official committee, trustee, litigation trust or similar Person empowered by the Bankruptcy Court or applicable Law to discharge any administrative rights or duties in the Chapter 11 Case.

(c) As soon as reasonably practicable following the Closing, Seller shall take all necessary actions to change the name of the Seller's bankruptcy case to remove the name "Lily Robotics, Inc." from the case name.⁵

6.4 Confidentiality; Privacy.

(a) From and after the Closing Time, Seller will treat and hold as confidential all of the Confidential Information and will not, directly or indirectly, without the prior written consent of Buyer, disclose or use any Confidential Information except in connection with this Agreement and as provided in paragraphs (i) and (ii) below:

(i) Seller's obligation not to disclose Confidential Information shall not apply to Confidential Information that it shall be required or requested to disclose by Law; provided, however, that Seller shall notify Buyer promptly to the extent legally permissible and practical (and, if possible, prior to making such disclosure) so that Buyer may seek confidential treatment or protection of such Confidential Information at Buyer's sole cost and expense.

⁵ To be confirmed by the Company.

(ii) Seller's obligation not to disclose Confidential Information shall be suspended for the duration of the Chapter 11 Case with respect to Confidential Information that Seller discloses in the Chapter 11 Case.

(b) In the event that Seller is requested or required (by oral question or request for information or documents) in any Proceeding to disclose any Confidential Information, Seller will notify Buyer promptly of the request or requirement to the extent legally permissible and practical so that Buyer may seek an appropriate protective order at Buyer's sole cost and expense or waive compliance with the provisions of this Section 6.4.

(c) Notwithstanding anything else in this Agreement, from and after the Closing Time, all parties to this Agreement hereby agree and acknowledge that each of them (and each of their employees, representatives or other agents) is authorized to disclose to any and all Persons, beginning immediately upon commencement of their discussions and without limitation of any kind, the United States federal income tax treatment and tax structure of the transactions contemplated by this Agreement, and all materials of any kind (including opinions or other tax analyses) that are provided by either party to the other relating to such United States federal income tax treatment and tax structure, except to the extent that such disclosure is subject to restrictions reasonably necessary to comply with securities laws.

(d) From and after the Closing Time, Buyer shall use all data that is included in the Purchased Assets and is in a format that allows such data to be identified to the recognizable name, address or other recognizable attributes of a natural person, in accordance with the terms and conditions of any applicable privacy policy or statement published by Seller prior to the commencement of the Chapter 11 Case or as otherwise permitted by Law.

6.5 Public Announcements. From the Agreement Date until the earlier of the Closing or the termination of this Agreement, Buyer and Seller will consult with each other before issuing, and provide each other the reasonable opportunity to review and comment upon, any press release, any court filing or pleading filed with the Bankruptcy Court relating primarily to this Agreement or the transactions contemplated hereby, and neither Buyer nor Seller shall issue any such press release or make any such public statement, other than of the Sale Hearing or another hearing of the Chapter 11 Case, without the prior written approval of the other party, in each case except as may be required by Law, court process or by obligations pursuant to any listing agreement with any national securities exchange. Each of Buyer and Seller shall use its commercially reasonable efforts to cause its Affiliates, employees, officers and directors to comply with this Section 6.5.

6.6 Employment and Benefits Matters.

(a) Buyer or an Affiliate of Buyer may offer employment, effective as of the Closing Time, to the Identified Employees on such terms as Buyer or an Affiliate of Buyer shall determine in its sole discretion. Buyer shall provide written notice to Seller, at least ten (10) days prior to Closing, listing any Identified Employees that will be offered employment by Buyer or an Affiliate of Buyer. Except as would be prohibited by Law, Seller shall terminate the employment of all Identified Employees accepting employment with Buyer or an Affiliate of Buyer immediately prior to the Closing Time. Each Identified Employee who accepts an offer of

employment from Buyer or an Affiliate of Buyer shall be deemed to be a hired employee on the day such employee commences active employment with Buyer or an Affiliate of Buyer (not earlier than the Closing Time).

(b) It is anticipated that Seller will cease to provide a “group health plan” within the meaning of COBRA in connection with the Closing, such that neither Seller nor its Affiliates will have any obligations under COBRA after so ceasing to provide a group health plan. Accordingly, to the extent required by COBRA, Buyer acknowledges and agrees that upon such occurrence, it will have successor liability to provide health coverage in accordance with the requirements of COBRA.

6.7 Payment of Transfer Taxes and Tax Filings. All Transfer Taxes arising out of the transfer of the Purchased Assets and any Transfer Taxes required to effect any recording or filing with respect thereto shall be borne exclusively by Buyer. The Transfer Taxes shall be calculated assuming that no exemption from Transfer Taxes is available, unless at Closing, Seller or Buyer, as appropriate, provides an appropriate resale exemption certificate or other evidence acceptable to Buyer or Seller, as appropriate, of exemption from such Transfer Taxes. Seller and Buyer shall cooperate to timely prepare and file any Tax Returns relating to such Transfer Taxes, including any claim for exemption or exclusion from the application or imposition of any Transfer Taxes. Buyer shall pay all Transfer Taxes and shall file all necessary documentation and returns with respect to such Transfer Taxes when due, and shall promptly, following the filing thereof, furnish a copy of such return or other filing and a copy of a receipt showing payment of any such Transfer Tax to Seller. Each party hereto shall furnish or cause to be furnished to the other, upon request, as promptly as practicable, such information and assistance relating to the Purchased Assets and the Business as is reasonably necessary for filing of all Tax Returns, including any claim for exemption or exclusion from the application or imposition of any Taxes or making of any election related to Taxes, the preparation for any audit by any taxing authority and the prosecution or defense of any claim, suit or Proceeding relating to any Tax Return.

6.8 Proration of Taxes and Certain Charges.

(a) All real property Taxes, personal property Taxes or similar *ad valorem* obligations (and no other Taxes) levied with respect to the Purchased Assets for any taxable period that includes a day before the Closing Date and ends after the Closing Date, whether imposed or assessed before or after the Closing Date, shall be prorated between Seller and Buyer as of the Closing Date. Seller shall be responsible for the payment of all Taxes incurred or accrued through the Closing Date and Buyer shall be responsible for the payment of all Taxes incurred or accrued after the Closing Date. If any such Taxes subject to proration are paid by Buyer, on the one hand, or Seller, on the other hand, the proportionate amount of such Taxes paid (or in the event a refund of any portion of such Taxes previously paid is received, such refund) shall be paid promptly by (or to) the other after the payment of such Taxes (or promptly following the receipt of any such refund).

(b) Except as otherwise expressly provided herein, all installments of special assessments or other charges on or with respect to the Purchased Assets payable by Seller for any period in which the Closing Date shall occur, including base rent, common area maintenance,

royalties, all municipal, utility or authority charges for water, sewer, electric or gas charges, garbage or waste removal, and cost of fuel, shall be apportioned as of the Closing Date and each party shall pay its proportionate share promptly upon the receipt of any bill, statement or other charge with respect thereto. Seller shall be responsible for the payment of all such charges incurred or accrued through the Closing Date. If such charges or rates are assessed either based upon time or for a specified period, such charges or rates shall be prorated as of the Closing Date. If such charges or rates are assessed based upon usage of utility or similar services, such charges shall be prorated based upon meter readings taken on the Closing Date.

6.9 Reasonable Efforts; Notification.

(a) Each of the parties will use reasonable efforts to take, or cause to be taken, all actions and use reasonable efforts to do, or cause to be done, and to assist and cooperate with the other parties in doing, all things which to its Knowledge are necessary, proper or advisable to consummate and make effective the transactions contemplated by this Agreement, including: (i) the obtaining of all other necessary actions, non-actions, waivers, and permits from Governmental Entities and the making of all other necessary registrations and filings; (ii) the obtaining of all necessary consents, approvals or waivers from third parties; and (iii) the execution and delivery of any additional certificates, agreements, instruments, reports, schedules, statements, consents, documents and information necessary to consummate the transactions contemplated by this Agreement.

(b) If, in order to properly prepare documents required to be filed with governmental authorities, it is necessary that either Seller or Buyer be furnished with additional information relating to the Business, the Purchased Assets or the Assumed Liabilities, and such information is in the possession of the other party, such party agrees to use commercially reasonable efforts to furnish such information in a timely manner to such other party, at the cost and expense of the party being furnished such information.

(c) Except as required by Law, each party hereto shall promptly inform the other of any communication from any Governmental Entity regarding any of the transactions contemplated by this Agreement. If any party hereto or Affiliate thereof receives a request for additional information or documentary material from any such Governmental Entity with respect to the transactions contemplated by this Agreement, then such party will use its reasonable efforts to make, or cause to be made, as soon as reasonably practicable and after consultation with the other party, an appropriate response in compliance with such request.

6.10 Fiduciary Obligations. Notwithstanding anything to the contrary set forth herein, Seller shall in no way be prevented from (a) fulfilling its fiduciary or statutory obligations under applicable Law, the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, or any Order of the Bankruptcy Court; or (b) marketing the Purchased Assets to potential bidders or providing information to or responding to inquiries from potential bidders for the Purchased Assets or pursuing any Alternate Transaction, plan of reorganization, sale, proposal or offer of winding up, liquidation, reorganization, merger, consolidation, dissolution or restructuring of Seller in connection with the matters in subsection (a) above, prior to the consummation of the transactions contemplated by this Agreement.

6.11 Further Assurances. Subject to the terms and conditions herein provided, following the Closing Time and until the effective date of a plan of liquidation or dissolution, Seller shall execute and deliver to Buyer such bills of sale, endorsements, assignments and other good and sufficient instruments of assignment, transfer and conveyance, in form and substance reasonably satisfactory to Buyer, as shall be reasonably necessary to vest in Buyer all of Seller's right, title and interest in and to the Purchased Assets. Seller shall take such reasonable steps as may be reasonably necessary or appropriate at and after the Closing and until the effective date of a plan of liquidation or dissolution, so that Buyer shall be placed in actual possession and operating control of the Purchased Assets.

6.12 Allocation Dispute. Notwithstanding any other provision in this Agreement, in the event of any conflict or dispute (an "Allocation Dispute") between and among any of LR Acquisition, LLC, Buyer and/or Seller as to whether any assets of Seller are claimed by Buyer to be Purchased Assets hereunder or whether such assets are being transferred to LR Acquisition, LLC under the LRA APA (such assets, the "Disputed Assets"), Buyer hereby agrees and acknowledges that any such Allocation Dispute shall not and will not delay or be an impediment to Closing, or serve as the basis to delay or prevent Closing of the transactions contemplated by this Agreement. Buyer agrees to work in good faith and use its reasonable best efforts to resolve with LR Acquisition, LLC any such Allocation Dispute, and Seller will have the right to deliver and tender the Disputed Assets to either LR Acquisition, LLC or Buyer, without any Liability hereunder. In addition and not in limitation of the foregoing, to the extent Buyer fails to close the transactions contemplated under this Agreement due to an Allocation Dispute regarding a Purchased Asset (i.e., whether a Purchased Asset should be transferred by Seller to Buyer or LR Acquisition, LLC under the LRA APA), Buyer hereby agrees that its Deposit shall be immediately released and forfeited to Seller and Seller reserves all of its rights and remedies against Buyer.

ARTICLE VII

CONDITIONS TO OBLIGATIONS OF THE PARTIES

7.1 Conditions Precedent to Obligations of Buyer. The obligation of Buyer to consummate the transactions contemplated by this Agreement is subject to the satisfaction (or waiver by Buyer in Buyer's sole discretion) at or prior to the Closing Time of each of the following conditions:

(a) Accuracy of Representations and Warranties. Each of the representations and warranties of Seller contained herein shall be true and correct in all material respects on the date hereof and, other than with respect to the Excluded Assets, shall be true and correct in all material respects on and as of the Closing Time, with the same force and effect as though such representations and warranties had been made on and as of the Closing Time, except to the extent that any such representation or warranty is expressly made as of a specified date or relates to Excluded Assets, in which case such representation or warranty shall have been true and correct as of such date; provided, however, that the failure of any such representation or warranty to be true and correct on and as of the Closing Time shall not constitute a basis for Buyer to refuse to consummate the transactions contemplated hereby unless such failure, either

individually or in the aggregate, has resulted in or would reasonably be expected to result in a Material Adverse Effect.

(b) Performance of Obligations. Seller shall have performed in all material respects all obligations and agreements contained in this Agreement required to be performed by it on or prior to the Closing Time.

(c) Bankruptcy Court Approval. The Bankruptcy Court shall have entered an Order or Orders (the "**Sale Order**") in the form set forth in Exhibit G hereto, which, among other things, (i) approves, pursuant to Sections 105, 363 and 365 of the Bankruptcy Code, with such changes only as are mutually approved by Buyer and Seller: (A) the execution, delivery and performance by Seller of this Agreement, including each and every term and condition hereof, and the other instruments and agreements contemplated hereby; (B) the sale of the Purchased Assets to Buyer on the terms set forth herein; and (C) the performance by Seller of its obligations under this Agreement; (ii) authorizes Seller to assume and assign to Buyer the Acquired Intellectual Property; and (iii) finds that Buyer is a "good faith" buyer within the meaning of Section 363(m) of the Bankruptcy Code. The Sale Order shall be in full force and effect and as of the Closing shall not be stayed, enjoined or modified. Seller shall have delivered to Buyer a certified copy of the Sale Order.

(d) No Violation of Law or Orders. No provisions of any applicable Law or Order enacted, entered, promulgated, enforced or issued by any Governmental Entity shall be in effect that (i) prevents, renders illegal or otherwise prohibits the sale and purchase of the Purchased Assets or any of the other transactions contemplated by this Agreement; or (ii) would adversely affect or interfere with the operation of the Business in a manner that would constitute a Material Adverse Effect.

7.2 Conditions Precedent to the Obligations of Seller. The obligation of Seller to consummate the transactions contemplated by this Agreement is subject to the satisfaction (or waiver by Seller) at or prior to the Closing Time of each of the following conditions:

(a) Accuracy of Representations and Warranties. The representations and warranties of Buyer contained herein shall be true and correct in all material respects on the date hereof in and shall be true and correct in all respects on and as of the Closing Time, with the same force and effect as though such representations and warranties had been made on and as of the Closing Time, except to the extent that any such representations or warranty is made as of a specified date, in which case such representation or warranty shall have been true and correct as of such date; provided, however, that the failure of any such representations or warranties to be true and correct on and as of the Closing Time shall not constitute a basis for Seller to refuse to consummate the transactions contemplated hereby unless such failure, either individually or in the aggregate, has or would reasonably be expected to have a material and adverse effect on Buyer's ability to perform its obligations under this Agreement.

(b) Performance of Obligations. Buyer shall have performed in all material respects all obligations and agreements contained in this Agreement required to be performed by it prior to or on the Closing Time.

(c) Sale Order. The Sale Order shall be in full force and effect and as of the Closing, shall not be stayed, enjoined or modified.

(d) No Violation of Law or Orders. No provisions of any applicable Law or Order enacted, entered, promulgated, enforced or issued by any Governmental Entity shall be in effect that prevents, renders illegal or otherwise prohibits the sale and purchase of the Purchased Assets or any of the other transactions contemplated by this Agreement.

ARTICLE VIII

TERMINATION

8.1 Termination of Agreement. This Agreement may be terminated and the transactions contemplated hereby abandoned at any time prior to the Closing:

(a) By written agreement of Seller and Buyer;

(b) By Buyer:

(i) at any time after July 7, 2017, if the Closing shall not have occurred; provided, however, that Buyer is not in breach of any of its representations and warranties contained in this Agreement and has not failed in any material respect to perform any of its obligations hereunder;

(ii) if any Order permanently restraining, prohibiting or enjoining Buyer or Seller from consummating the transactions contemplated hereby is entered and such Order shall have become a Final Order;

(iii) if there shall have been a material breach by Seller of any of its representations, warranties, covenants or agreements contained in this Agreement, which breach would result in the failure to satisfy one or more of the conditions set forth in Section 7.1, and such breach shall be incapable of being cured or, if capable of being cured, shall not have been cured within fifteen (15) days after written Notice thereof shall have been received by Seller;

(iv) if after its entry, the Procedures Order shall fail to be in full force and effect or shall have been stayed, reversed, modified or amended in any respect without the prior written consent of Buyer;

(v) at any time after June 20, 2017, if the Sale Order shall not have been entered; or

(vi) upon entry of an Order of the Bankruptcy Court or other court of competent jurisdiction approving any Alternate Transaction.

(c) By Seller:

(i) at any time after July 7, 2017, if the Closing shall not have occurred; provided, however, that Seller is not in breach of any of its representations and

warranties contained in this Agreement and has not failed in any material respect to perform any of its obligations hereunder;

(ii) if any Order permanently restraining, prohibiting or enjoining Buyer or Seller from consummating the transactions contemplated hereby is entered and such Order shall have become a Final Order;

(iii) if there shall have been a material breach by Buyer of any of its representations, warranties, covenants or agreements contained in this Agreement, which breach would result in the failure to satisfy one or more of the conditions set forth in Section 7.2, and such breach shall be incapable of being cured or, if capable of being cured, shall not have been cured within ten (10) days after written Notice thereof shall have been received by Buyer;

(iv) intentionally omitted;

(v) at any time after June 20, 2017, if the Sale Order shall not have been entered; or

(vi) upon entry of an Order of the Bankruptcy Court or other court of competent jurisdiction approving an Alternate Transaction.

8.2 Consequences of Termination. If this Agreement is terminated under Section 8.1, notice thereof will forthwith be given to the other party and this Agreement will thereafter become void and have no further force and effect and all further obligations of Seller and Buyer to each other under this Agreement will terminate without further obligation or liability of Seller or Buyer to the other, except that:

(a) Each party will return or destroy all documents, workpapers and other material of any other party relating to the transactions contemplated by this Agreement, whether so obtained before or after the execution of this Agreement, to the party furnishing the same.

(b) Intentionally omitted.

(c) Notwithstanding the foregoing, this Section 8.2 and Section 6.5 (Public Announcements), Section 9.1 (Expenses), Section 9.5 (Notices), Section 9.6 (Choice of Law), Section 9.11 (Exclusive Jurisdiction), Section 9.12 (Waiver of Right to Trial by Jury), Section 9.13 (Beneficiaries) and Section 9.17 (Legal Representation) shall survive any such termination of this Agreement.

(d) In the event this Agreement is terminated by Seller pursuant to Section 8.1(c)(iii), then Buyer agrees that the Deposit shall be immediately released and forfeited in favor of Seller and Seller may pursue any and all additional rights and remedies at Law or in equity that are available against Buyer.

(e) Section 3.2 shall govern application and return of the Deposit.

ARTICLE IX

MISCELLANEOUS

9.1 Expenses. Except as set forth in this Agreement and whether or not the transactions contemplated hereby are consummated, each party hereto shall bear all costs and expenses incurred or to be incurred by such party in connection with this Agreement and the consummation of the transactions contemplated hereby. As between Buyer and Seller, Seller shall bear all costs of any Persons (other than Buyer, its Representatives or Affiliates) entitled to reimbursement by the Bankruptcy Court.

9.2 Assignment. Neither this Agreement nor any of the rights or obligations hereunder may be assigned by Seller without the prior written consent of Buyer, or by Buyer without the prior written consent of Seller; provided, that Buyer may assign its rights and liabilities hereunder to one or more Affiliates of Buyer, which assignment shall not relieve Buyer of its obligations hereunder. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

9.3 Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of Seller and Buyer, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement except as expressly set forth herein. Without limiting the foregoing, no direct or indirect holder of any equity interests or securities of either Seller or Buyer (whether such holder is a limited or general partner, member, stockholder or otherwise), nor any Affiliate of either Seller or Buyer, nor any Representative, or controlling Person of each of the parties hereto and their respective Affiliates, shall have any liability or obligation arising under this Agreement or the transactions contemplated hereby.

9.4 Risk of Loss. Seller will bear all risk of loss occurring to or upon any portion of the Purchased Assets prior to the Closing Time. In the event that any material portion of any Purchased Assets is damaged or destroyed prior to Closing Time, then with respect to such Purchased Assets Buyer may, at Buyer's option, either (a) proceed to close notwithstanding the damage or destruction of such Purchased Assets; or (b) exclude such Purchased Assets, in which event Buyer shall have no obligation to close if, as a consequence of the exclusion of such Purchased Assets, any condition to Closing in Section 7.1 would not be satisfied. If Buyer closes notwithstanding an unrepaired or unrestored loss to a Purchased Asset, Seller will deliver and/or assign to Buyer any insurance proceeds with respect to such damage or destruction, and all Claims against third parties relating thereto, and the adjustment to the Purchase Price shall be limited to the amount of any deductible or self-insured retention under the applicable policies of insurance.

9.5 Notices. All notices, demands, requests, consents, approvals or other communications (collectively, "**Notices**") required or permitted to be given hereunder or that are given with respect to this Agreement shall be in writing and shall be personally served, delivered by a nationally recognized overnight delivery service with charges prepaid, or transmitted by hand delivery, electronic mail, or facsimile, addressed as set forth below, or to such other address as such party shall have specified most recently by written Notice. Notice shall be deemed given

on the date of service or transmission if personally served, transmitted by electronic mail or transmitted by facsimile with confirmation of receipt; provided, that if delivered or transmitted on a day other than a Business Day or after normal business hours, notice shall be deemed given on the next Business Day. Notice otherwise sent as provided herein shall be deemed given on the next Business Day following timely deposit of such Notice with an overnight delivery service:

If to Seller: Lily Robotics, Inc.
c/o Goldin Associates, LLC
350 Fifth Avenue
New York, NY 10118
Attention: Spencer Wells and Curtis G. Solsvig
Facsimile:
Email: swells@drivetrainadvisors.com
Email: csolsvig@goldinassociates.com

With a copy to: Orrick, Herrington & Sutcliffe LLP
51 West 52nd Street
New York, NY 10019-6142
Facsimile: (212) 506-5151
Attention: John V. Bautista,
Douglas S. Mintz,
Laura Metzger
Email: jbautista@orrick.com
Email: dmintz@orrick.com
Email: lmetzger@orrick.com

If to Buyer: Mota Group, Inc.
P.O. Box 1116
Campbell, CA 90059
Attention: Michael Faro
Fax: 408-378-7629
Email: mfaro@mota.com

With a copy to: Sullivan & Worcester LLP
One Post Office Square
Boston, MA 02109
Attention: Amy A. Zuccarello
Fax: (617) 338-2880
Email: azuccarello@sandw.com

Rejection of or refusal to accept any Notice, or the inability to deliver any Notice because of changed address of which no Notice was given, shall be deemed to be receipt of the Notice as of the date of such rejection, refusal or inability to deliver.

9.6 Choice of Law. This Agreement shall be construed and interpreted, and the rights of the parties shall be determined, in accordance with the substantive laws of the State of New

York, without giving effect to any provision thereof that would require the application of the substantive laws of any other jurisdiction, except to the extent that such laws are superseded by the Bankruptcy Code.

9.7 Entire Agreement; Amendments and Waivers. This Agreement, the Confidentiality Agreement and all agreements entered into pursuant hereto and all certificates and instruments delivered pursuant hereto and thereto constitute the entire agreement between the parties hereto pertaining to the subject matter hereof and supersede all other prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties. This Agreement may be amended, supplemented or modified, and any of the terms, covenants, representations, warranties or conditions may be waived, only by a written instrument executed by Buyer and Seller, or in the case of a waiver, by the party waiving compliance. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), and no such waiver shall constitute a continuing waiver unless otherwise expressly provided.

9.8 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Counterparts to this Agreement may be delivered via e-mail. In proving this Agreement, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought.

9.9 Invalidity. If any one or more of the provisions contained in this Agreement or in any other instrument referred to herein, shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, the parties shall use their reasonable efforts, including the amendment of this Agreement, to ensure that this Agreement shall reflect as closely as practicable the intent of the parties hereto on the date hereof.

9.10 Headings. The table of contents and the headings of the Articles and Sections herein are inserted for convenience of reference only and are not intended to be a part of, or to affect the meaning or interpretation of, this Agreement.

9.11 Exclusive Jurisdiction.

(a) Without limiting any party's right to appeal any order of the Bankruptcy Court, during the Chapter 11 Case: (i) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide (insofar as they relate to Seller) any Claims or disputes which may arise or result from, or be connected with, this Agreement, any breach or default hereunder, or the transactions contemplated hereby; and (ii) any and all Claims, actions, causes of action, suits and proceedings related to the foregoing shall be filed and maintained only in the Bankruptcy Court, and the parties hereby consent to and submit to the jurisdiction and venue of the Bankruptcy Court and shall receive Notices at such locations as indicated in Section 9.5.

(b) Upon the closing of the Chapter 11 Case, except as otherwise expressly provided in this Agreement, all of the parties hereto irrevocably agree and consent to the jurisdiction of the federal courts in Delaware for the adjudication of any matters arising under,

pursuant to or in connection with this Agreement. Process in any such suit, action or Proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 9.5 shall be deemed effective service of process on such party.

9.12 WAIVER OF RIGHT TO TRIAL BY JURY. SELLER AND BUYER HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY).

9.13 Beneficiaries. Nothing in this Agreement, express or implied, is intended to confer upon any other Person any rights or remedies of any nature under or by reason of this Agreement, except as expressly provided herein.

9.14 Counting. If the due date for any action to be taken under this Agreement (including the delivery of Notices) is not a Business Day, then such action shall be considered timely taken if performed on or prior to the next Business Day following such due date.

9.15 Preparation of this Agreement. Buyer and Seller hereby acknowledge that (a) Buyer and Seller jointly and equally participated in the drafting of this Agreement and all other agreements contemplated hereby; (b) Buyer and Seller have been adequately represented and advised by legal counsel with respect to this Agreement and the transactions contemplated hereby; and (c) no presumption shall be made that any provision of this Agreement shall be construed against either party by reason of such role in the drafting of this Agreement and any other agreement contemplated hereby.

9.16 Termination of Representations, Warranties and Covenants. The representations, warranties and covenants (other than any covenant that by its express terms requires performance after the Closing) made by Seller and Buyer in this Agreement or pursuant to any other document delivered by such parties in connection herewith shall terminate on the Closing Date, provided that the covenants contained in 3.4 (Allocation of Purchase Price), 6.3 (Access), 6.4 (Confidentiality; Privacy), 6.6 (Employment and Benefits Matters), 6.7 (Payment of Transfer Taxes and Tax Filings), 6.8 (Proration of Taxes and Certain Charges), 6.9 (Reasonable Efforts; Notification), 6.11 (Further Assurances) and 6.12 (Allocation Dispute), shall survive for a period of one (1) year following the Closing Date.

9.17 Legal Representation. Buyer hereby waives (and will cause its Affiliates to waive) any conflicts that may arise in connection with, and will not challenge (and will cause its Affiliates not to challenge), Claims of attorney-client privilege, attorney work product, or similar privilege or immunity with respect to the representation by Orrick, Herrington & Sutcliffe LLP of Seller prior to or on the Closing Date in connection with any matter arising under, or relating to, this Agreement and the transactions contemplated by this Agreement. In addition, notwithstanding anything in this Agreement to the contrary, all communications involving attorney client confidences between Seller, on the one hand, and Orrick, Herrington & Sutcliffe LLP, on the other hand, in the course of the negotiation, documentation and consummation of the

transactions contemplated hereby shall be deemed to be attorney client confidences that belong solely to Seller. Accordingly, Buyer shall not have access to any such communications or to the files of Orrick, Herrington & Sutcliffe LLP relating to such engagement from and after the Closing, and no actions taken by Seller or its representatives to retain, remove or otherwise protect such communications will be deemed a breach or violation of this Agreement or any other documents or instruments hereunder.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, this Asset Purchase Agreement has been duly executed and delivered by the duly authorized officers of Seller and Buyer as of the date first above written.

BUYER

MOTA GROUP, INC.

By: _____
Name:
Title:

SELLER

LILY ROBOTICS, INC.

By: _____
Name:
Title:

Exhibit A

Form of Bill of Sale and Assignment

Exhibit B

Form of Assumption Agreement

Exhibit C

Form of Trademark Assignment

Exhibit D

Form of Copyright Assignment

Exhibit E

Bidding Procedures

Exhibit F

Procedures Order

Exhibit G

Form of Sale Order

Exhibit H

Purchase Price Allocation⁶

⁶ Buyer to propose.

EXHIBIT C

LR Acquisition APA

ASSET PURCHASE AGREEMENT

by and between

Lily Robotics, Inc.,

as Seller, debtor and debtor-in-possession

and

LR Acquisition, LLC

as Buyer

Dated as of [●], 2017

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ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this "**Agreement**") is dated as of [●], 2017 (the "**Agreement Date**") among LR Acquisition, LLC ("**Buyer**") and Lily Robotics, Inc., a Delaware corporation, as seller, debtor and debtor-in-possession ("**Seller**").

WITNESSETH:

WHEREAS, Seller was previously engaged in the business of development, sale and marketing of camera enabled drones and related technology (the "**Business**");

WHEREAS, Seller has commenced a case (the "**Chapter 11 Case**") under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. Sections 101 et seq. (the "**Bankruptcy Code**") on February 27, 2017 by filing a voluntary petition with the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**");

WHEREAS, Seller wishes to sell certain of its assets to Buyer, and Buyer wishes to purchase certain of the Seller's assets and to assume those liabilities relating to the Business specified herein, all on and subject to the terms and conditions set forth in this Agreement and pursuant to Sections 363 the Bankruptcy Code; and

WHEREAS, Seller and Buyer have determined that it is in their respective best interests to consummate the foregoing transaction, and in furtherance thereof, have approved this Agreement and the transactions contemplated hereby.

NOW, THEREFORE, in consideration of the mutual representations, warranties, covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and subject to the terms and conditions hereof, the parties, intending to be legally bound, hereby agree as follows:

ARTICLE I

DEFINITIONS

1.1 Defined Terms. As used herein, the terms below shall have the following respective meanings:

"**Accounts Receivable**" shall have the meaning ascribed to such term in Section 2.2(p).

"**Acquired Intellectual Property**" shall have the meaning ascribed to such term in Section 2.1(a).

"**Acquired Inventory**" shall have the meaning ascribed to such term in Section 2.1(c).

"**Acquired Permits**" shall have the meaning ascribed to such term in Section 1.1(a).

"*Affiliate*" shall have the meaning set forth in Section 101 of the Bankruptcy Code.

"*Agreement*" shall have the meaning ascribed to such term in the preamble.

"*Agreement Date*" shall have the meaning ascribed to such term in the preamble.

6.13. "*Allocation Dispute*" shall have the meaning ascribed to such term in Section

3.4. "*Allocation Schedule*" shall have the meaning ascribed to such term in Section

"*Alternate Transaction*" shall mean a transaction or transactions pursuant to which Seller, in one or a series of transactions, sells, transfers, leases or otherwise disposes, directly or indirectly, of all or substantially all of Seller's assets (other than the sale of Inventory in the ordinary course of business and the sale of Excluded Assets), including any transaction pursuant to a Qualified Bid or through any other asset sale, stock sale, debt-for-equity swap, joint venture, financing, reorganization or recapitalization, confirmation of a plan of reorganization or a plan of liquidation in the Chapter 11 Case, or any similar transaction, in each case that would not involve a sale or disposition of the Purchased Assets to Buyer.

"*Assumed Liabilities*" shall have the meaning ascribed to such term in Section 2.3.

"*Assumption Agreement*" shall mean the Assumption Agreement entered into by and among Buyer and Seller, substantially in the form of Exhibit B.

"*Auction*" shall mean the auction for the Purchased Assets to be conducted on the Auction Date in the event of the submission of one or more "Qualified Bids" in accordance with the Procedures Order and as defined in the Bidding Procedures.

"*Auction Date*" shall mean the date of the Auction scheduled by the Bankruptcy Court and set forth in the Procedures Order.

"*Auction Notice*" shall have the meaning ascribed to such term in the Bidding Procedures.

"*Avoidance Actions*" shall have the meaning ascribed to such term in Section 2.2(e).

"*Bankruptcy Code*" shall have the meaning ascribed to such term in the Recitals.

"*Bankruptcy Court*" shall have the meaning ascribed to such term in the Recitals.

"*Bankruptcy Rules*" shall mean the Federal Rules of Bankruptcy Procedure.

"**Benefit Plan**" shall mean any "employee benefit plan" (within the meaning of Section 3(3) of ERISA, including multiemployer plans within the meaning of Section 3(37) of ERISA), and all severance, employment, change in control, fringe benefit, bonus, incentive, deferred compensation, and all other employee compensation and/or benefit plans, programs, policies, agreements and other arrangements, whether or not subject to ERISA, including any funding vehicle therefor now in effect (or required in the future to be established as a result of the transactions contemplated by this Agreement) whether formal or informal, written or oral, binding or not, under which any present or former employee or independent contractor of Seller or any beneficiary or dependent of such employee, has any present or future right to benefits, contingent or otherwise.

"**Bidding Procedures**" shall have the meaning ascribed to such term in Section 6.2(a).

"**Bill of Sale and Assignment**" shall mean the Bill of Sale and Assignment from Seller for the benefit of Buyer, substantially in the form of Exhibit A.

"**Brand Materials**" means, collectively, all original video and audio recordings, reports, analyses, press, and other materials and works of authorship, if any, and other tangible embodiments of the foregoing, in any form, whether or not specifically listed herein, and all related Content, that are used in, incorporated in, embodied in, displayed by or relate to, or are used or useful in the Business and associated with Seller's name and brand, other than any in the form of Software. For the avoidance of doubt, "Brand Materials" expressly excludes any video or audio recordings related to the Technology or Seller's goods.

"**Business**" shall have the meaning ascribed to such term in the Recitals.

"**Business Day**" shall mean any day other than a Saturday, Sunday or a legal holiday on which banking institutions in the State of New York are authorized or obligated by Law or executive order to close.

"**Buyer**" shall have the meaning ascribed to such term in the preamble.

"**Cash and Cash Equivalents**" shall mean cash, third-party checks, wire transfers and any other funds of Seller, and commercial paper, marketable securities, certificates of deposit and other bank deposits, treasury bills and other cash equivalents of Seller calculated in accordance with GAAP. Cash and Cash Equivalents shall not include credit card receivables.

"**Chapter 11 Case**" shall have the meaning ascribed to such term in the Recitals.

"**Claims**" shall have the meaning ascribed to such term in Section 2.2(e).

"**Closing**" shall have the meaning ascribed to such term in Section 3.1(a).

"**Closing Date**" shall have the meaning ascribed to such term in Section 3.1(a).

"**Closing Time**" shall have the meaning ascribed to such term in Section 3.1(a).

"**COBRA**" shall mean Section 4980B of the Code and Part 6 of Title I of ERISA, together in each case, with applicable regulations, in each case, as amended and in effect from time to time.

"**Code**" shall mean the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

"**Confidential Information**" shall mean all information in any form or medium that relates to Seller, the Business, the Purchased Assets or the Assumed Liabilities, including, without limitation, financial information, projections, pricing structures, technical data, trade secrets, know-how, ideas, inventions, designs, research, development plans, and identities of, and arrangements with, suppliers, but shall not include any information that (a) is generally available to, or known by, the public (other than as a result of disclosure in violation of this Agreement or the Confidentiality Agreement); (b) is already in the recipient's possession or comes into recipient's possession on a non-confidential basis (other than as a result of disclosure in violation of this Agreement or the Confidentiality Agreement); (c) is independently developed by the receiving party without reliance in any way on any Confidential Information; or (d) is information that relates to the Excluded Assets.

["**Confidentiality Agreement**" shall mean that certain Confidentiality Agreement dated [•], by and between Seller and [•]."]

"**Contract**" shall mean any lease, license, agreement, contract, contract right, purchase order, obligation, trust, instrument and other similar arrangements, whether or not in written form, that is binding upon a Person or its property.

"**Content**" means any literary, audio, video, and other information, including editorial content, animation, graphics, photographs and artwork, and combinations of any or all of the foregoing, in any tangible or digital formats, excluding freely available graphic, video or text content, such as clip art or graphic images licensed from commercial media vendors.

"**Copyright Assignment**" shall mean the Copyright Assignment entered into by and among Buyer and Seller, substantially in the form of Exhibit C.

"**Copyrights**" shall have the meaning ascribed to it in the definition of the term Intellectual Property.

"**Customer Deposits**" shall mean any and all customer deposits received by Seller from any customer in respect of any order, deposit or reservation by a customer for any company product including, without limitation, any customer deposits to be returned to such customer or any other party pursuant to the Customer Refund Order.

"**Customer Refund Order**" means an Order of the Bankruptcy Court or provision in a plan of reorganization or a plan of liquidation in the Chapter 11 Case approving Seller's process to refund the funds received by Seller in connection with pre-orders made by its customers.

"**Deposit**" shall have the meaning ascribed to such term in Section 3.2.

"**Disputed Assets**" shall have the meaning ascribed to such term in Section 6.13.

"**ERISA**" shall mean the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

"**Excluded Assets**" shall have the meaning ascribed to such term in Section 2.2.

"**Excluded Claims**" shall have the meaning ascribed to such term in Section 2.2(g).

"**Excluded Intellectual Property**" shall have the meaning ascribed to such term in Section 2.2(a).

"**Excluded Liabilities**" shall have the meaning ascribed to such term in Section 2.4.

"**Final Order**" shall mean an Order of the Bankruptcy Court or other court of competent jurisdiction (a) that is not the subject of a pending appeal, petition for certiorari, motion for reconsideration or other proceeding for review, rehearing or reargument; (b) that has not been reversed, vacated, modified or amended, is not stayed and remains in full force and effect; and (c) either (x) with respect to which the time to appeal, to petition for certiorari, to move for reconsideration or to seek review, rehearing or reargument shall have expired, as a result of which such order shall have become final in accordance with Rule 8002 of the Federal Rules of Bankruptcy Procedure and other applicable Laws; or (y) that shall provide that the terms of the Order shall be immediately effective and enforceable upon entry notwithstanding any Bankruptcy Rule (including, but not limited to, Bankruptcy Rules 6004(h), 6006(d), 7062 or 9014) or Local Rule that might otherwise delay the effectiveness of the Order.

"**GAAP**" shall mean United States generally accepted accounting principles.

"**GoerTek**" shall mean GoerTek, Inc. a Chinese business entity, on behalf of itself and its affiliates, that entered into the GoerTek Agreement with Seller in or about the year 2015.

"**GoerTek Agreement**" shall mean that certain Development and Manufacturing Agreement between Lily Robotics, Inc. and GoerTek, Inc. entered into as of August 1, 2015.

"**GoerTek Goods**" shall mean any goods shipped by Goertek in the days immediately preceding the Petition Date that are located in a warehouse in Los Angeles, CA area port, for which any and all of intellectual property enforcement or protection rights and remedies are expressly reserved to the Buyer to the extent the Closing occurs and such rights and remedies are acquired hereunder.

"**Governmental Entity**" shall mean any (a) federal, state, local, municipal, foreign or other government; (b) governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official, or entity and any court, arbitrator or other tribunal); or (c) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory, or taxing authority or power of any nature, including any arbitral tribunal.

"Identified Employees" shall mean Antoine Balaesque and Henry Bradlow.

"Intellectual Property" means any and all intellectual property rights of Seller arising from or in respect of the following: (a) all patents and applications therefor, including continuations, divisionals, continuations-in-part, or reissues of patent applications and patents issuing thereon (collectively, "**Patents**"); (b) copyrights and registrations and applications therefor, rights in works of authorship, and mask work rights related to the Software or Technology included in the Purchased Assets, excluding copyrights and registrations (if any) relating to Brand Materials and applications therefor (collectively, "**Copyrights**"); (c) inventions, discoveries, trade secrets, business and technical information and know-how, and other confidential and proprietary information and all rights therein related to the Software or Technology included in the Purchased Assets, to the extent legally and contractually transferable and assignable, and excluding the Seller's customer lists, customer data and information, data collections and databases or any personally identifiable information; and (f) all rights, interests and protections that are associated with, similar to, or required for the exercise of, any of the foregoing, to the extent legally and contractually transferable and assignable.

"Intellectual Property Agreements" means all written Contracts by or through which other Persons grant Seller or Seller grants any other Persons any exclusive or non-exclusive rights or interests in or to any Acquired Intellectual Property.

"Inventory" shall mean any raw materials, supplies, work in process and finished goods owned by and in the possession of Seller, including any product models, samples and prototypes; provided, however, that Inventory shall not include the Goertek Goods.

"Knowledge" with respect to any individual, shall mean the actual knowledge of such individual. The "**Knowledge of Seller**" shall mean the Knowledge of Seller's Chief Restructuring Officer and independent director.

"Law" means any federal, state, local or foreign statute, law, ordinance, regulation, rule, code, Order, principle of common law, judgment enacted, promulgated, issued, enforced or entered by any Governmental Entity, or other requirement or rule of law.

"Liabilities" shall mean, as to any Person, all debts, adverse claims, liabilities, commitments, responsibilities and obligations of any kind or nature whatsoever, direct, indirect, absolute or contingent, of such Person, whether accrued, vested or otherwise, whether known or unknown, and whether or not actually reflected, or required to be reflected, in such Person's balance sheets or other books and records.

"Lien" shall mean any claim, pledge, option, charge, hypothecation, easement, security interest, right-of-way, encroachment, mortgage and deed of trust or other encumbrance.

"Material Adverse Effect" shall mean the effect of any event, condition or circumstance that, taken alone or in conjunction with other events, conditions or circumstances: (a) has or would reasonably be expected to have a material adverse effect on (i) the Purchased Assets, business, operations, properties, assets, liabilities or financial condition of Buyer; or (ii) the enforceability of this Agreement; (b) materially impairs the ability of Buyer to perform its obligations under this Agreement; or (c) otherwise materially impairs the ability of Buyer to

enforce this Agreement or collect the Purchase Price, other than (w) events, changes, conditions or effects affecting the United States economy generally or the industry in which Seller operates; (x) the commencement of the Chapter 11 Case and the subsequent conduct of the Business in accordance with the Bankruptcy Code, applicable Bankruptcy Rules and one or more orders of the Bankruptcy Court; (y) the taking of any action contemplated by this Agreement or any other document or instrument hereunder or the failure to take any action not taken hereunder due to the failure of any party hereto to consent thereto; or (z) changes as a result of the negotiation, announcement, pendency, performance, or covenants of the transactions contemplated by this Agreement, including by reason of the identity of Buyer or any of its Affiliates or any communication by Buyer or any of its Affiliates of their plans or intentions regarding the operation of the Business.

"**Material Contracts**" shall have the meaning ascribed to that term in Section 4.7.

"**MOTA APA**" means that certain asset purchase agreement dated on or around the Agreement Date, between Seller and Mota Group, Inc.

"**Notice**" shall have the meaning ascribed to that term in Section 9.5.

"**Order**" shall mean any judgment, order, injunction, writ, ruling, verdict, decree, stipulation or award of any Governmental Entity or private arbitration tribunal.

"**Patent Assignment**" shall mean the Patent Assignment entered into by and among Buyer and Seller, substantially in the form of Exhibit D.

"**Patents**" shall have the meaning ascribed to it in the definition of the term Intellectual Property.

"**Permitted Liens**" shall mean (a) statutory Liens for current Taxes, assessments or other governmental charges not yet due and payable or the amount or validity of which is being contested in good faith; (b) zoning, entitlement and other land use and environmental regulations or designations by any Governmental Entity provided that such regulations or designations have not been violated, which in each case do not materially interfere with the operation of the Business as currently conducted; (c) title of a lessor under a capital or operating lease; (d) mortgages, security interests and Liens arising from and related to any Assumed Liabilities; and (e) Liens in favor of Silicon Valley Bank and Spark Capital IV, LP to be released on the Closing Date.

"**Person**" shall mean an individual, partnership, joint venture, corporation, business trust, limited liability company, trust, unincorporated organization, joint stock company, labor union, estate, Governmental Entity or other entity.

"**Petition Date**" shall mean February 27, 2017.

"**Privileged Documents**" shall have the meaning ascribed to such term in Section 2.6.

"**Procedures Order**" shall have the meaning ascribed to such term in Section 6.2(a).

"**Proceeding**" shall mean any action, arbitration, audit, hearing, investigation, litigation or suit (whether civil, criminal, administrative, investigative or informal) commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Entity or arbitrator.

"**Products**" shall mean all camera enabled drone products that the Seller developed in connection with the Business.

"**Purchase Price**" shall have the meaning ascribed to such term in Section 3.3.

"**Purchased Assets**" shall have the meaning ascribed to such term in Section 2.1.

"**Qualified Bid**" shall have the meaning ascribed to such term in the Bidding Procedures.

"**Registered Intellectual Property**" means all Patents and Copyrights owned by Seller that have been registered, filed, certified or otherwise perfected or recorded with or by any Governmental Entity or quasi-public legal authority, and any applications for any of the foregoing.

"**Representative**" shall mean, with respect to any Person, such Person's officers, directors, employees, agents and representatives (including any investment banker, financial advisor, accountant, legal counsel, agent, representative or expert retained by or acting on behalf of such Person or its Subsidiaries).

"**Sale Hearing**" shall mean the hearing to consider entry of the Sale Order.

"**Sale Order**" shall have the meaning ascribed to such term in Section 7.1(c).

"**Seller**" shall have the meaning ascribed to such term in the preamble.

"**Seller's Disclosure Schedule**" shall have the meaning ascribed to such term in the opening paragraph of ARTICLE IV.

"**Software**" means, except to the extent generally available for purchase from a third Person and except to the extent related to the Websites or Brand Materials, any and all of the following related to Seller's Business, Technology or Products: (a) computer programs, including any and all software implementations of algorithms, models and methodologies, whether in source code or object code; (b) [databases and compilations, including any and all data and collections of data, whether machine readable or otherwise, including, without limitation, that are set forth on Schedule 2.1(a), and excluding Seller's customer lists, customer data and information, data collections and databases or any personally identifiable information;] descriptions, flow-charts and other work product used to design, plan, organize and develop any of the foregoing, screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons; and (c) documentation including user manuals and other training

documentation related to any of the foregoing. For the avoidance of doubt, "Software" shall not include (x) any third-party software or services (such as cloud services) or any other Software that is not legally transferable or assignable, or (y) any of Seller's social media accounts or passwords used to access such accounts, including, without limitation, Facebook, LinkedIn and Twitter.

"**Tax**" or "**Taxes**" shall mean any current, deferred, federal, state, county, local, foreign and other taxes, assessments, duties or charges of any kind whatsoever, including, without limitation, income, profits, gains, net worth, sales and use, *ad valorem*, gross receipts, business and occupation, license, minimum, alternative minimum, environmental, estimated, stamp, custom duties, occupation, property (real or personal), franchise, capital stock, license, excise, value added, payroll, employees, income withholding, social security, unemployment or other tax, together with any penalty, addition to tax or interest on the foregoing.

"**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.

"**Technology**" means, collectively, all designs, formulae, algorithms, procedures, methods, techniques, ideas, know-how, research and development, technical data, programs, subroutines, tools, materials, specifications, processes, inventions (whether patentable or unpatentable and whether or not reduced to practice), apparatus, creations, improvements, works of authorship and other similar materials, and all recordings, graphs, drawings, reports, analyses, and other writings, and other tangible embodiments of the foregoing, in any form whether or not specifically listed herein, and all related technology, that are used in, incorporated in, embodied in, displayed by or relate to, or are used or useful in the Business or Products, other than any in the form of Software. For the avoidance of doubt, "Technology" expressly excludes Seller's Brand Materials and the Goertek Goods.

"**Trademarks**" shall mean trademarks, service marks, trade names, service names, brand names, all trade dress rights, logos, and corporate names and general intangibles of a like nature, together with the goodwill associated with any of the foregoing, all applications, registrations and renewals thereof, and unregistered trademarks.

"**Transfer Tax**" or "**Transfer Taxes**" shall mean any federal, state, county, local, foreign and other sales, excise, use, transfer, conveyance, documentary transfer, recording or other similar Tax, fee or charge imposed upon the sale, transfer or assignment of property or any interest therein or the recording thereof, and any penalty, addition to Tax or interest with respect thereto, but such term shall not include any Tax on, based upon or measured by, the net income, gains or profits from such sale, transfer or assignment of the property or any interest therein.

"**Websites**" shall mean (a) all websites owned or controlled by Seller, and all Content and pages contained within each of those websites, hosted anywhere in the world; and (b) any domains owned by Seller. For each Website, the Content and pages shall include all computer files and documentation for the current version of the Website and all archived Content and pages in Seller's possession or control.

1.2 Other Definitional Provisions.

(a) The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(b) The meanings given to terms defined herein shall be equally applicable to both singular and plural forms of such terms.

(c) Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation."

(d) Words denoting any gender shall include all genders. Where a word or phrase is defined herein, each of its other grammatical forms shall have a corresponding meaning.

(e) A reference to any party to this Agreement or any other agreement or document shall include such party's successors and permitted assigns.

(f) A reference to any legislation or to any provision of any legislation shall include any modification or re-enactment thereof, any legislative provision substituted therefor and all regulations and statutory instruments issued thereunder or pursuant thereto.

(g) All references to "\$" and "Dollars" shall be deemed to refer to the currency of the United States of America.

(h) All references to any financial or accounting terms shall be defined in accordance with GAAP except as otherwise specifically defined herein.

ARTICLE II

TRANSFER OF ASSETS AND LIABILITIES

2.1 Assets to be Acquired. At the Closing, and upon the terms and conditions set forth herein and subject to the approval of the Bankruptcy Court pursuant to Sections 105 and 363 of the Bankruptcy Code, Seller shall sell, convey, assign, transfer and deliver to Buyer, and Buyer shall purchase, acquire and accept, all of the right, title and interest of Seller, free and clear of all Liens (other than Permitted Liens), in, to and under each and all of the Purchased Assets. "**Purchased Assets**" shall mean all right, title and interest of Seller in, to and under the following assets at the Closing Time, but shall exclude the Excluded Assets as set forth in Section 2.2:

(a) All (i) Intellectual Property, including the Registered Intellectual Property listed on Schedule 4.8(a)(i); (ii) Software, including, without limitation, that set forth on Schedule 2.1(a); and (iii) Technology, in each case in (i) through (iii), owned by Seller that are used or held for use in connection with the Business, and any rights, accrued Claims or causes of

action to enforce or protect any such Intellectual Property, Software and Technology, but specifically excluding the Excluded Intellectual Property (the "**Acquired Intellectual Property**");

(b) All licenses, permits, franchises and other authorizations of any Governmental Entity relating to the Purchased Assets, and all pending applications therefor, if any (the "**Acquired Permits**"), to the full extent such Acquired Permits are legally and contractually transferable and assignable;

(c) All Inventory as of the Closing Date in the possession of Seller and all warranties, licenses, releases and agreements, if any, express or implied, existing for the benefit of Seller in connection therewith (the "**Acquired Inventory**");

(d) Subject to Section 6.3(b), to the extent the transfer to Buyer is not prohibited by Law (giving effect to any obtained Orders or consents to transfer), copies or originals of all books, records, files or papers of Seller, whether in hard copy or electronic format, relating to the Purchased Assets, including, vendor lists, catalogues, research material, know-how, specifications, designs, drawings, processes and quality control data, if any, or any other intangible property and applications for the same, engineering information, test results, plans, technical information, diagrams, maintenance schedules, operating and production records and safety and environmental reports, data, studies and documents, to the full extent, if any, such items are legally and contractually transferable and assignable¹;

(e) The amount of and all rights to any insurance proceeds received or entitled to be received by Seller after the date hereof related to any of the Purchased Assets, but excluding any rights to insurance proceeds with respect to Seller's directors and officers liability insurance policies;

(f) All rights of Seller under all agreements, warranties (expressed or implied), representations, indemnities, or guaranties made by third parties to or for the benefit of Seller with respect to the Purchased Assets; and

(g) All goodwill related to the foregoing.

2.2 **Excluded Assets.** Seller shall retain, and Buyer shall not purchase, Seller's right, title and interest in or to any of the following assets and properties of Seller (collectively, the "**Excluded Assets**"), all of which shall remain the exclusive property of Seller, free and clear of any Claim of Buyer:

(a) Any Intellectual Property or other assets that are specifically identified on Schedule 2.2(a) (the "**Excluded Intellectual Property**");

(b) All Cash and Cash Equivalents as of the Closing Time;

(c) All Customer Deposits;

(d) Any Contracts;

¹ **NTD.** Company to confirm.

(e) All rights, demands, claims, actions and causes of action (collectively, the "**Claims**") that Seller or any of its Affiliates may have against any third party, including any Governmental Entity, under Chapter 5 of the Bankruptcy Code (collectively, the "**Avoidance Actions**");

(f) All Claims that Seller or any of its Affiliates may have against any Person (including Governmental Entities) for refund or credit of any type with respect to Taxes accrued with respect to periods ending on or prior to the Closing Time;

(g) All Claims which Seller or any of its Affiliates may have against any Person (other than Buyer and its Affiliates) solely with respect to any Excluded Assets (the "**Excluded Claims**");

(h) Except as provided in Section 2.1(e), all insurance policies, insurance Claims and proceeds of insurance policies owned by Seller;

(i) Loans owed to Seller by any employee or director of Seller and any intercompany loans;

(j) All rights of Seller under this Agreement and the agreements, instruments and other documents delivered to Seller by Buyer pursuant to this Agreement or the transactions contemplated hereby;

(k) The company seal, minute books, charter documents, stock or equity record books and such other books and records as pertain to the organization, existence or capitalization of Seller;

(l) All Benefit Plans or other employee or independent contractor arrangements and trusts or other assets related thereto (including without limitation, insurance policies and employee restrictive covenants in favor of Seller and/or its Affiliates), and Seller's directors and officers liability insurance policies;

(m) Assets owned or used by Seller not related to the Business;

(n) All capital stock of Seller, including any options, warrants or other securities exchangeable or convertible into capital stock of Seller;

(o) Seller's bank accounts;

(p) All accounts receivable of Seller and all other rights of Seller to payment, including credit card receivables ("**Accounts Receivable**"), all other rights of Seller to receive payment in respect of any Claims and all rights in respect of prepaid items however evidenced, whether by notes, instruments, chattel paper or otherwise;

(q) All Privileged Documents;

(r) All Websites and Brand Materials;

(s) All Trademarks;

(t) All customer lists, customer data and information, data collections and databases, other data and information not expressly included as a Purchased Asset, and any personally identifiable information; and

(u) All Seller's assets related to Sections 2.2(r)-2.2(t) above.

2.3 Liabilities to be Assumed by Buyer. At the Closing, Buyer will assume only the following Liabilities of Seller (the "**Assumed Liabilities**") and no others:

(a) Any and all Liabilities which arise after the Closing Time regarding the Purchased Assets, including, without limitation, any and all fees or obligations due to any Governmental Entity or other office or agency regarding the Acquired Intellectual Property.

2.4 Excluded Liabilities. Other than the Assumed Liabilities, Buyer shall not and does not assume any other Liability whatsoever (including Liabilities relating to the conduct of the Business or to the Purchased Assets (and the use thereof) at any time on or prior to the Closing Time), whether relating to or arising out of the Business or Purchased Assets or otherwise, fixed or contingent, disclosed or undisclosed (collectively, the "**Excluded Liabilities**").

2.5 Intentionally Omitted.

2.6 Return of Excluded Assets; Privileged Information. If Seller or Buyer determine after the Closing that books, records or other materials or assets (whether tangible or intangible, in whatever form or media, including electronic) constituting Excluded Assets were delivered to Buyer, Buyer shall promptly return them to Seller. In furtherance and not in limitation of the foregoing, Seller and Buyer acknowledge and agree that it is neither Seller's or Buyer's intention to sell, assign, transfer, convey or deliver possession of any documents, information or communications of Seller that is subject to Seller's attorney-client privilege or the work-product immunity doctrine ("**Privileged Documents**"). In the event it is discovered that any such Privileged Documents have been inadvertently or unintentionally turned over to Buyer, Buyer shall promptly return to Seller or destroy such Privileged Documents.

ARTICLE III

CLOSING AND PURCHASE PRICE

3.1 Closing; Transfer of Possession; Certain Deliveries.

(a) Unless this Agreement shall have been terminated and the transactions herein contemplated shall have been abandoned pursuant to ARTICLE VIII hereof, the closing of the transactions contemplated herein (the "**Closing**") shall take place at 10:00 a.m. (eastern daylight time) on a date (the "**Closing Date**") to be mutually agreed upon by the parties, which date shall not be later than the first Business Day after all the conditions set forth in ARTICLE VII hereof (excluding, but subject to the satisfaction or waiver of, conditions that, by their nature, are to be satisfied at the Closing) shall have been satisfied or waived, unless another time

or date is agreed to in writing by the parties. The Closing shall be held at the offices of Orrick, Herrington & Sutcliffe LLP, located at 51 West 52nd Street, New York, NY, 10019-6142, United States of America, unless otherwise mutually agreed to by the parties. The Closing shall be effective as of 12:01 a.m. (eastern daylight time) on the Closing Date (the "**Closing Time**").

(b) At the Closing, Seller shall deliver, or shall cause to be delivered, to Buyer the following:

(i) a duly executed Bill of Sale and Assignment, substantially in the form of Exhibit A attached hereto, transferring the Purchased Assets to Buyer;

(ii) a duly executed Assumption Agreement, substantially in the form of Exhibit B hereto;

(iii) a Copyright Assignment, substantially in the form of Exhibit C hereto, duly executed by Seller;

(iv) a Patent Assignment, substantially in the form of Exhibit D hereto, duly executed by Seller, suitable for recording with regard to each jurisdiction and each recordable right or interest, such as each patent, each patent application, or each recorded or recordable license interest;

(v) a certificate of Seller, dated as of the Closing Date, signed by the Chief Restructuring Officer of Seller, certifying that the conditions specified in Section 7.1(a) and Section 7.1(b) hereof have been fulfilled;

(vi) a copy of the resolutions adopted by the Special Committee of the Board of Directors of Seller authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, certified by the independent director of Seller as of the Closing Date;

(vii) the executed consents listed on Schedule 4.4;

(viii) all other instruments reasonably requested by Buyer of conveyance and transfer, in form and substance reasonably acceptable to Buyer, as are necessary to convey the Purchased Assets to Buyer; and

(ix) such other closing instruments and certificates as may be reasonably requested by Buyer no later than three (3) Business Days prior to the Closing Date.

(c) At the Closing, Buyer shall deliver, or shall cause to be delivered to Seller, the following:

(i) a wire transfer of immediately available funds to the account or accounts designated by Seller, an amount equal to the Purchase Price;

(ii) the Assumption Agreement, duly executed by Buyer;

(iii) a certificate of Buyer, dated as of the Closing Date, signed by the President or Chief Financial Officer of Buyer, certifying that conditions specified in Section 7.2(a) and Section 7.2(b) hereof have been fulfilled;

(iv) a copy of the resolutions adopted by the Board of Managers or other governing body of Buyer (as applicable) authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, certified by the Secretary or an Assistant Secretary of Buyer as of the Closing Date; and

(v) such other closing instruments and certificates as may be reasonably requested by Seller no later than (3) Business Days prior to the Closing Date.

3.2 Deposit. On the Agreement Day, Buyer shall increase its \$5,000 deposit to an amount in cash equal to \$225,000 by wire transfer of immediately available funds to a bank account designated by Seller in writing to Buyer, as an earnest money deposit (the "**Deposit**"). The Deposit (together with all accrued investment income or interest thereon) shall be distributed as follows:

(a) if the Closing shall occur, then the Deposit, together with all accrued investment income or interest thereon shall be (i) delivered to Buyer at the Closing; or (ii) released to Seller and offset from the payment of the Purchase Price at the Closing;

(b) if this Agreement is terminated by Seller pursuant to Section 8.1(c)(iii), then the Deposit, together with all accrued investment income or interest thereon, shall be delivered to Seller; or

(c) if this Agreement is terminated by Buyer pursuant to Section 8.1(b), or by Seller pursuant to Section 8.1(c), other than a termination pursuant to Section 8.1(c)(iii), then the Deposit, together with all accrued investment income or interest thereon, shall be returned to Buyer.

3.3 Purchase Price. The purchase price hereunder (the "**Purchase Price**") shall be an amount in cash equal to \$450,000.

3.4 [Allocation of Purchase Price]. Within 30 calendar days after the Closing Date, Buyer shall deliver to Seller a schedule allocating the Purchase Price (the "**Allocation Schedule**"). The Allocation Schedule shall be prepared in accordance with Section 1060 of the Code. The Allocation Schedule shall be deemed final unless Seller notifies Buyer in writing that Seller objects to one or more items reflected in the Allocation Schedule within 30 days after delivery of the Allocation Schedule to Seller. In the event of any such objection, Seller and Buyer shall negotiate in good faith to resolve such dispute; provided, however, that if Seller and Buyer are unable to resolve any dispute with respect to the Allocation Schedule within 30 days after the delivery of the Allocation Schedule to Seller, such dispute shall be resolved by an impartial nationally recognized firm of independent certified public accountants mutually appointed by Buyer and Seller. The fees and expenses of such accounting firm shall be borne equally by Buyer. Seller and Buyer agree to file their respective IRS Forms 8594 and all federal, state and local Tax Returns in accordance with the Allocation Schedule.]

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF SELLER

Except as set forth in the Seller's Disclosure Schedule delivered to Buyer concurrently herewith ("*Seller's Disclosure Schedule*"), Seller hereby represents and warrants to Buyer as follows (Seller's Disclosure Schedule shall be arranged in paragraphs corresponding to the section numbers contained in this ARTICLE IV, but, regardless of the existence of cross-references or the lack thereof, the disclosure in any paragraph shall qualify as disclosure for any other section of this ARTICLE IV so long as such disclosure contains sufficient information so as to enable a reasonable person to determine that such disclosure qualifies or otherwise applies to other sections of this ARTICLE IV):

4.1 Organization and Good Standing. Other than as a result of the Chapter 11 Case, Seller (a) is a corporation duly organized, validly existing and in good standing under the laws of Delaware; and (b) subject to any necessary authorizations from the Bankruptcy Court, has full corporate power and authority to own, lease and operate its properties and carry on the Business as it is now being conducted.

4.2 Execution and Effect of Agreement. Subject to obtaining Bankruptcy Court approval pursuant to the Sale Order, Seller has the requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder, and the execution and delivery of this Agreement by Seller and the consummation by Seller of the transactions contemplated hereby and the performance of Seller's obligations hereunder have been duly authorized by all requisite corporate action on the part of Seller. This Agreement has been duly executed and delivered by Seller and (assuming the due and valid authorization, execution and delivery thereof by the other parties thereto), following the approval of this Agreement and the transactions contemplated hereby by the Bankruptcy Court pursuant to the Sale Order, will constitute the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms.

4.3 No Contravention. Subject to obtaining the approval of the Bankruptcy Court pursuant to the Sale Order, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (a) violate or conflict with any provision of Seller's certificate of incorporation or bylaws; (b) (with or without the giving of notice or the lapse of time or both) violate, or result in a breach of, or constitute a default under, or conflict with, or accelerate the performance required by, any of the terms of any Acquired Intellectual Property; (c) violate or conflict with any Order of any court, Governmental Entity or arbitrator, or any Law applicable to Seller; or (d) result in the creation of any Lien upon any of the Purchased Assets.

4.4 Third Party Approvals. Except for (a) entry of the Sale Order; and (b) any third party consents or approvals as are reflected on Schedule 4.4 hereto, the execution, delivery and performance by Seller of this Agreement and the transactions contemplated hereby do not require any consents, waivers, authorizations or approvals of any third Persons which will not be obtained by Seller prior to Closing.

4.5 Subsidiaries. Seller has no Subsidiaries or owns, directly or indirectly, any capital stock or subordinated debt of, or other equity interests in, any Person, or is a member of or participant in any Person.

4.6 Title to Purchased Assets. Subject to entry of the Sale Order, Buyer will be vested, and at Closing will have, good title to each of the Purchased Assets (except for those Purchased Assets that are leased or licensed to Seller, as to which Seller has, and at the Closing will have, valid licensed or leasehold interests), free and clear of all Liens to the fullest extent permitted under Section 363(f) of the Bankruptcy Code, other than Permitted Liens.

4.7 Contracts. Schedule 4.7 sets forth a true and complete list of all material contracts (together with all Intellectual Property Agreements listed on Schedule 4.8(a), the "**Material Contracts**"). Copies of all Material Contracts in effect as of the date hereof in Seller's possession have been provided or made available by Seller to Buyer.

4.8 Intellectual Property.

(a) Schedule 4.8(a) hereto identifies all: (i) Registered Intellectual Property used or held for use in the Business by Seller; and (ii) material Intellectual Property Agreements.

(b) To the Knowledge of Seller, (i) Seller is the owner of, or has sufficient right to use, all Acquired Intellectual Property; (ii) the operation of the Business as it is currently conducted by Seller does not infringe or misappropriate any Intellectual Property of any Person, except, with respect to this clause (b), as would not reasonably be expected to result in a Material Adverse Effect. To the Knowledge of Seller, there are no claims or actions of any kind (including any oppositions, interferences or re-examinations) before any Governmental Entity, pending or threatened, or within the past two years, settled, (including in the form of offers to obtain a license): (A) alleging any infringement, misappropriation, dilution or violation of the Acquired Intellectual Property of any third party by Seller; (B) challenging the validity, enforceability, registrability or ownership of any Acquired Intellectual Property or Seller's rights with respect to any Acquired Intellectual Property; or (C) by Seller or any other third party alleging any infringement, misappropriation, dilution or violation by any third party of any Acquired Intellectual Property.

(c) In the event that any errors or omissions are discovered in Schedule 4.8(a)(i), to the extent Seller has the legal right and ability to do so Seller agrees to promptly correct said errors or omissions and to execute any documents needed to perfect Buyer's title in any Registered Intellectual Property omitted from or incorrectly listed in Schedule 4.8(a)(i).

4.9 GoerTek. To the Knowledge of Seller, GoerTek has not asserted any written claims against any of the Purchased Assets.

4.10 Labor Matters. Seller is not a party to any labor or collective bargaining agreement with respect to its employees. None of the Identified Employees is represented by a union or other labor organization and, to the Knowledge of Seller, there is not presently and has not been at any time during the preceding twelve (12) months any union organizing activity or written demand or petition for recognition by or on behalf of any union or other labor organization, with respect to any of the Identified Employees.

4.11 Broker's Fees and Restructuring Payment. Except as identified on Schedule 4.11, Seller has not entered into any Contract (nor has any Person made any arrangement that would be binding upon Seller) to pay any fees or commissions to any broker, finder, consultant, intermediary, or agent with respect to the transactions contemplated by this Agreement for which Buyer could become liable or obligated to pay. The Bankruptcy Court has approved Seller's retention of Goldin Associates, LLC as Seller's financial advisor and Chief Restructuring Officer to assist in the sale of the Purchased Assets and Seller is responsible for any and all fees and costs due to such financial advisor and Chief Restructuring Officer.

4.12 No Other Representations or Warranties. Except for the representations and warranties contained in this ARTICLE IV (as qualified, amended, supplemented and modified by the Seller's Disclosure Schedule), neither Seller nor any other Person makes (and Buyer is not relying upon) any other express or implied representation or warranty with respect to Seller, the Business, the Purchased Assets (including the value or condition of any Purchased Asset) or the transactions contemplated by this Agreement, and Seller disclaims any other representations or warranties, whether made by Seller, any Affiliate of Seller or any of their respective officers, directors, employees, agents or Representatives. Except for the representations and warranties contained in this ARTICLE IV (as qualified, amended, supplemented and modified by the Seller's Disclosure Schedule), Seller (a) expressly disclaims and negates any representation or warranty, express or implied, at common law, by statute or otherwise, relating to the condition (including the environmental condition) of the Purchased Assets (including any implied or expressed warranty of title, merchantability or fitness for a particular purpose, or of the probable success or profitability of the ownership, use or operation of the Business, the Purchased Assets by Buyer after the Closing); and (b) disclaims all liability and responsibility for any representation, warranty, projection, forecast, statement or information made, communicated or furnished (orally or in writing) to Buyer or its Affiliates or Representatives (including any opinion, information, projection or advice that may have been or may be provided to Buyer by any director, officer, employee, agent, consultant or Representative of Seller or any of its Affiliates).

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Seller as follows:

5.1 Organization and Good Standing. Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of its jurisdiction of formation, and has full corporate power and authority to own, lease and operate its properties and carry on its business as it is now being conducted.

5.2 Execution and Effect of Agreement. Buyer has the requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder, and the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby and the performance of Buyer's obligations hereunder have been duly authorized by all requisite corporate action on the part of Buyer. This Agreement has been duly executed and delivered by Buyer and constitutes (assuming the due and valid authorization, execution and delivery thereof

by the other parties thereto and the entry of approval of this Agreement and the transactions contemplated hereby by the Bankruptcy Court pursuant to the Sale Order) a legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms.

5.3 No Contravention. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (a) violate or conflict with any provision of Buyer's certificate of formation; (b) (with or without the giving of notice or the lapse of time or both) violate, or result in a breach of, or constitute a default under, or conflict with, or accelerate the performance required by, any of the terms of any material Contract to which Buyer is a party or by which it is bound; or (c) violate or conflict with any Order, Governmental Entity or arbitrator, or any Law applicable to Buyer.

5.4 Third Party Approvals. The execution, delivery and performance by Buyer of this Agreement and the transactions contemplated hereby do not require any consents, waivers, authorizations or approvals of, or filings with, any third Persons which have not been obtained by Buyer.

5.5 Funds. Buyer, as of the Closing Time, will have sufficient unrestricted funds to consummate the transactions contemplated by this Agreement.

5.6 Good Faith Purchaser. Buyer is a "good faith" purchaser, as such term is used in the Bankruptcy Code and the court decisions thereunder. Buyer is entitled to the protections of section 363(m) of the Bankruptcy Code with respect to all of the Purchased Assets. Buyer has negotiated and entered into this Agreement in good faith and without collusion or fraud of any kind.

5.7 Due Diligence. Buyer: (a) had an opportunity to conduct any and all required due diligence regarding the Purchased Assets prior to making its offer; (b) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Purchased Assets in making its bid; (c) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Purchased Assets or the completeness of any information provided in connection therewith or with the Auction, except as expressly stated in this Agreement; and (d) is not entitled to any expense reimbursement, break-up fee, or similar type of payment in connection with its offer.

5.8 AS IS TRANSACTION. BUYER HEREBY ACKNOWLEDGES AND AGREES THAT EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT, (A) THE PURCHASED ASSETS AND ASSUMED LIABILITIES ARE BEING SOLD ON AN "AS IS", "WHERE IS" BASIS WITH RESPECT TO SELLER AND (B) SELLER DOES NOT MAKE ANY OTHER REPRESENTATIONS OR WARRANTIES, INCLUDING MERCHANTABILITY, FITNESS OR OTHERWISE WITH RESPECT TO THE PURCHASED ASSETS.

ARTICLE VI

COVENANTS OF THE PARTIES

6.1 Conduct of Business Pending the Closing.

(a) Except as required pursuant to Order of the Bankruptcy Court, including without limitation, any Customer Refund Order approving the refund of the Customer Deposits, during the period from the date of this Agreement and continuing until the earlier of the termination of this Agreement in accordance with its terms or the Closing, Seller shall use commercially reasonable efforts to preserve the Purchased Assets. For the avoidance of doubt: (i) nothing in this Section 6.1(a) imposes any obligation on Seller with regard to Patents to file any continuations, divisionals, continuations-in-part, or reissues of patent applications; and (ii) Seller shall pay any and all fees or expenses for the assignment of any and all Acquired Intellectual Property.²

(b) This Section 6.1 as well as any representation, warranty, covenant, schedule or closing condition contained in this Agreement shall not apply to any Excluded Assets, except, however, to the extent a provision of this Section 6.1 or such representation, warranty, covenant, schedule or closing condition makes specific reference to an Excluded Asset (or category of Excluded Assets) or to operations relating to an Excluded Asset (or category of Excluded Assets) (including, in the case of a closing condition, where a closing condition is based upon such representation, warranty, covenant or schedule).

6.2 Bankruptcy Court Order.

(a) Buyer acknowledges that it has received and reviewed Seller's motion filed with the Bankruptcy Court seeking to approve the Bidding Procedures attached hereto as Exhibit E (the "**Bidding Procedures**"), the Auction Notice, and the Order approving such motion (the "**Procedures Order**") attached hereto as Exhibit F (as may be amended or extended from time to time); and

(b) Each of the parties hereto agrees to file this Agreement with the Bankruptcy Court promptly following execution by the parties.

6.3 Access.

(a) Subject to applicable Law, from the date hereof until the Closing Time, Seller (i) shall give Buyer and its Representatives reasonable access during normal business hours to the offices, properties, officers, employees, accountants, auditors, counsel (other than counsel to Seller in connection with the Chapter 11 Case) and other representatives, books and records of Seller; (ii) shall furnish to Buyer and its Representatives such financial, operating and property related data and other information as such persons reasonably request; and (iii) shall instruct Seller's current employees, counsel and financial advisors to cooperate reasonably with Buyer in its investigation of the Purchased Assets. All such information shall be provided subject to the provisions of the Confidentiality Agreement.

² **NTD**: Company to confirm.

(b) From and after the Closing Time, Buyer shall give Seller and Seller's Representative reasonable access during normal business hours to the books and records pertaining to the Purchased Assets and Assumed Liabilities and, to the extent that Buyer is in possession of such information, books and records pertaining to the Excluded Assets and Excluded Liabilities. Buyer shall, and shall cause each of its Affiliates to, cooperate with Seller as may reasonably be requested by Seller for such purposes. Any other provision of this Agreement notwithstanding, Seller's rights under this Section 6.3 are fully assignable by Seller to any estate representative, including, without limitation, an official committee, trustee, litigation trust or similar Person empowered by the Bankruptcy Court or applicable Law to discharge any administrative rights or duties in the Chapter 11 Case.

6.4 Confidentiality; Privacy.

(a) From and after the Closing Time, Seller will treat and hold as confidential all of the Confidential Information and will not, directly or indirectly, without the prior written consent of Buyer, disclose or use any Confidential Information except in connection with this Agreement and as provided in paragraphs (i) and (ii) below:

(i) Seller's obligation not to disclose Confidential Information shall not apply to Confidential Information that it shall be required or requested to disclose by Law; provided, however, that Seller shall notify Buyer promptly to the extent legally permissible and practical (and, if possible, prior to making such disclosure) so that Buyer may seek confidential treatment or protection of such Confidential Information at Buyer's sole cost and expense.

(ii) Seller's obligation not to disclose Confidential Information shall be suspended for the duration of the Chapter 11 Case with respect to Confidential Information that Seller discloses in the Chapter 11 Case.

(b) In the event that Seller is requested or required (by oral question or request for information or documents) in any Proceeding to disclose any Confidential Information, Seller will notify Buyer promptly of the request or requirement to the extent legally permissible and practical so that Buyer may seek an appropriate protective order at Buyer's sole cost and expense or waive compliance with the provisions of this Section 6.4.

(c) Notwithstanding anything else in this Agreement, from and after the Closing Time, all parties to this Agreement hereby agree and acknowledge that each of them (and each of their employees, representatives or other agents) is authorized to disclose to any and all Persons, beginning immediately upon commencement of their discussions and without limitation of any kind, the United States federal income tax treatment and tax structure of the transactions contemplated by this Agreement, and all materials of any kind (including opinions or other tax analyses) that are provided by either party to the other relating to such United States federal income tax treatment and tax structure, except to the extent that such disclosure is subject to restrictions reasonably necessary to comply with securities laws.

(d) From and after the Closing Time, Buyer shall use all data that is included in the Purchased Assets and is in a format that allows such data to be identified to the recognizable name, address or other recognizable attributes of a natural person, in accordance

with the terms and conditions of any applicable privacy policy or statement published by Seller prior to the commencement of the Chapter 11 Case or as otherwise permitted by Law.

6.5 Public Announcements. From the Agreement Date until the earlier of the Closing or the termination of this Agreement, Buyer and Seller will consult with each other before issuing, and provide each other the reasonable opportunity to review and comment upon, any press release, any court filing or pleading filed with the Bankruptcy Court relating primarily to this Agreement or the transactions contemplated hereby, and neither Buyer nor Seller shall issue any such press release or make any such public statement, other than of the Sale Hearing or another hearing of the Chapter 11 Case, without the prior written approval of the other party, in each case except as may be required by Law, court process or by obligations pursuant to any listing agreement with any national securities exchange. Each of Buyer and Seller shall use its commercially reasonable efforts to cause its Affiliates, employees, officers and directors to comply with this Section 6.5.

6.6 Proration for Acquired Intellectual Property. Except as otherwise provided herein, Seller shall be responsible for the payment of all fees or obligations due to any Governmental Entity or other office or agency relating to the Acquired Intellectual Property incurred or accrued through the Closing Date and Buyer shall be responsible for the payment of all such amounts relating to the Acquired Intellectual Property incurred or accrued after the Closing Date. If any such amounts subject to proration pursuant to this Section 6.6 are paid by Buyer, on the one hand, or Seller, on the other hand, the proportionate amount of such amounts paid shall be paid promptly by (or to) the other after the payment of such amounts to the relevant authority. █

6.7 Employment and Benefits Matters.

(a) Buyer or an Affiliate of Buyer may offer employment, effective as of the Closing Time, to the Identified Employees on such terms as Buyer or an Affiliate of Buyer shall determine in its sole discretion. Buyer shall provide written notice to Seller, at least ten (10) days prior to Closing, listing any Identified Employees that will be offered employment by Buyer or an Affiliate of Buyer. Except as would be prohibited by Law, Seller shall terminate the employment of all Identified Employees accepting employment with Buyer or an Affiliate of Buyer immediately prior to the Closing Time. Each Identified Employee who accepts an offer of employment from Buyer or an Affiliate of Buyer shall be deemed to be a hired employee on the day such employee commences active employment with Buyer or an Affiliate of Buyer (not earlier than the Closing Time).

(b) It is anticipated that Seller will cease to provide a “group health plan” within the meaning of COBRA in connection with the Closing, such that neither Seller nor its Affiliates will have any obligations under COBRA after so ceasing to provide a group health plan. Accordingly, to the extent required by COBRA, Buyer acknowledges and agrees that upon such occurrence, it will have successor liability to provide health coverage in accordance with the requirements of COBRA.

³ NTD. Company to confirm.

6.8 Payment of Transfer Taxes and Tax Filings. All Transfer Taxes arising out of the transfer of the Purchased Assets and any Transfer Taxes required to effect any recording or filing with respect thereto shall be borne exclusively by Buyer. The Transfer Taxes shall be calculated assuming that no exemption from Transfer Taxes is available, unless at Closing, Seller or Buyer, as appropriate, provides an appropriate resale exemption certificate or other evidence acceptable to Buyer or Seller, as appropriate, of exemption from such Transfer Taxes. Seller and Buyer shall cooperate to timely prepare and file any Tax Returns relating to such Transfer Taxes, including any claim for exemption or exclusion from the application or imposition of any Transfer Taxes. Buyer shall pay all Transfer Taxes and shall file all necessary documentation and returns with respect to such Transfer Taxes when due, and shall promptly, following the filing thereof, furnish a copy of such return or other filing and a copy of a receipt showing payment of any such Transfer Tax to Seller. Each party hereto shall furnish or cause to be furnished to the other, upon request, as promptly as practicable, such information and assistance relating to the Purchased Assets and the Business as is reasonably necessary for filing of all Tax Returns, including any claim for exemption or exclusion from the application or imposition of any Taxes or making of any election related to Taxes, the preparation for any audit by any taxing authority and the prosecution or defense of any claim, suit or Proceeding relating to any Tax Return.

6.9 Proration of Taxes and Certain Charges.

(a) All real property Taxes, personal property Taxes or similar *ad valorem* obligations (and no other Taxes) levied with respect to the Purchased Assets for any taxable period that includes a day before the Closing Date and ends after the Closing Date, whether imposed or assessed before or after the Closing Date, shall be prorated between Seller and Buyer as of the Closing Date. Seller shall be responsible for the payment of all Taxes incurred or accrued through the Closing Date and Buyer shall be responsible for the payment of all Taxes incurred or accrued after the Closing Date. If any such Taxes subject to proration are paid by Buyer, on the one hand, or Seller, on the other hand, the proportionate amount of such Taxes paid (or in the event a refund of any portion of such Taxes previously paid is received, such refund) shall be paid promptly by (or to) the other after the payment of such Taxes (or promptly following the receipt of any such refund).

(b) Except as otherwise expressly provided herein, all installments of special assessments or other charges on or with respect to the Purchased Assets payable by Seller for any period in which the Closing Date shall occur, including base rent, common area maintenance, royalties, all municipal, utility or authority charges for water, sewer, electric or gas charges, garbage or waste removal, and cost of fuel, shall be apportioned as of the Closing Date and each party shall pay its proportionate share promptly upon the receipt of any bill, statement or other charge with respect thereto. Seller shall be responsible for the payment of all such charges incurred or accrued through the Closing Date. If such charges or rates are assessed either based upon time or for a specified period, such charges or rates shall be prorated as of the Closing Date. If such charges or rates are assessed based upon usage of utility or similar services, such charges shall be prorated based upon meter readings taken on the Closing Date.

6.10 Reasonable Efforts; Notification.

(a) Each of the parties will use reasonable efforts to take, or cause to be taken, all actions and use reasonable efforts to do, or cause to be done, and to assist and cooperate with the other parties in doing, all things which to its Knowledge are necessary, proper or advisable to consummate and make effective the transactions contemplated by this Agreement, including: (i) the obtaining of all other necessary actions, non-actions, waivers, and permits from Governmental Entities and the making of all other necessary registrations and filings; (ii) the obtaining of all necessary consents, approvals or waivers from third parties; and (iii) the execution and delivery of any additional certificates, agreements, instruments, reports, schedules, statements, consents, documents and information necessary to consummate the transactions contemplated by this Agreement.

(b) If, in order to properly prepare documents required to be filed with governmental authorities, it is necessary that either Seller or Buyer be furnished with additional information relating to the Business, the Purchased Assets or the Assumed Liabilities, and such information is in the possession of the other party, such party agrees to use commercially reasonable efforts to furnish such information in a timely manner to such other party, at the cost and expense of the party being furnished such information.

(c) Except as required by Law, each party hereto shall promptly inform the other of any communication from any Governmental Entity regarding any of the transactions contemplated by this Agreement. If any party hereto or Affiliate thereof receives a request for additional information or documentary material from any such Governmental Entity with respect to the transactions contemplated by this Agreement, then such party will use its reasonable efforts to make, or cause to be made, as soon as reasonably practicable and after consultation with the other party, an appropriate response in compliance with such request.

6.11 Fiduciary Obligations. Notwithstanding anything to the contrary set forth herein, Seller shall in no way be prevented from fulfilling its fiduciary or statutory obligations under applicable Law, the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, or any Order of the Bankruptcy Court, including, without limitation, pursuing any Alternative Transaction, plan of reorganization, sale, proposal or offer of winding up, liquidation, merger, consolidation, dissolution or restructuring.

6.12 Further Assurances. Subject to the terms and conditions herein provided, following the Closing Time and until the effective date of a plan of liquidation or dissolution (but no earlier than 60 days following the Closing Time), Seller shall execute and deliver to Buyer such bills of sale, endorsements, assignments and other good and sufficient instruments of assignment, transfer and conveyance, in form and substance reasonably satisfactory to Buyer, as shall be reasonably necessary to vest in Buyer all of Seller's right, title and interest in and to the Purchased Assets. Seller shall take such reasonable steps as may be required at and after the Closing and until the effective date of a plan of liquidation or dissolution (but no earlier than 60 days following the Closing Time), so that Buyer shall be placed in actual possession and operating control of the Purchased Assets. Seller shall provide copies or otherwise make available to Buyer and Buyer's Representatives, all information and records (financial and otherwise) relating to, or otherwise used or useful in the Business, and not otherwise included in the Purchased Assets.

6.13 Allocation Dispute. Notwithstanding any other provision in this Agreement, in the event of any conflict or dispute (an “Allocation Dispute”) between and among any of Mota Group, Inc., Buyer and/or Seller as to whether any assets of Seller are claimed by Buyer to be Purchased Assets hereunder or whether such assets are being transferred to Mota Group, Inc. under the MOTA APA (such assets, the “Disputed Assets”), Buyer hereby agrees and acknowledges that any such Allocation Dispute shall not and will not delay or be an impediment to Closing, or serve as the basis to delay or prevent Closing of the transactions contemplated by this Agreement. Buyer agrees to work in good faith and use its reasonable best efforts to resolve with Mota Group, Inc. any such Allocation Dispute, and Seller will have the right to deliver and tender the Disputed Assets to either Mota Group, Inc. or Buyer, without any Liability hereunder. In addition and not in limitation of the foregoing, to the extent Buyer fails to close the transactions contemplated under this Agreement due to an Allocation Dispute regarding a Purchased Asset (i.e., whether a Purchased Asset should be transferred by Seller to Buyer or Mota Group, Inc. under the MOTA APA), Buyer hereby agrees that its Deposit shall be immediately released and forfeited to Seller and Seller reserves all of its additional rights and remedies against Buyer.

ARTICLE VII

CONDITIONS TO OBLIGATIONS OF THE PARTIES

7.1 Conditions Precedent to Obligations of Buyer. The obligation of Buyer to consummate the transactions contemplated by this Agreement is subject to the satisfaction (or waiver by Buyer in Buyer's sole discretion) at or prior to the Closing Time of each of the following conditions:

(a) Accuracy of Representations and Warranties. Each of the representations and warranties of Seller contained herein shall be true and correct in all material respects on the date hereof and, other than with respect to the Excluded Assets, shall be true and correct in all material respects on and as of the Closing Time, with the same force and effect as though such representations and warranties had been made on and as of the Closing Time, except to the extent that any such representation or warranty is expressly made as of a specified date or relates to Excluded Assets, in which case such representation or warranty shall have been true and correct as of such date; provided, however, that the failure of any such representation or warranty to be true and correct on and as of the Closing Time shall not constitute a basis for Buyer to refuse to consummate the transactions contemplated hereby unless such failure, either individually or in the aggregate, has resulted in or would reasonably be expected to result in a Material Adverse Effect.

(b) Performance of Obligations. Seller shall have performed in all material respects all obligations and agreements contained in this Agreement required to be performed by it on or prior to the Closing Time.

(c) Bankruptcy Court Approval. The Bankruptcy Court shall have entered an Order or Orders (the “**Sale Order**”) in form and substance acceptable to Buyer which, among other things, (i) approves, pursuant to Sections 105 and 363 of the Bankruptcy Code, with such changes only as are mutually approved by Buyer and Seller: (A) the execution, delivery and

performance by Seller of this Agreement, including each and every term and condition hereof, and the other instruments and agreements contemplated hereby; (B) the sale of the Purchased Assets to Buyer on the terms set forth herein, including free and clear of all Liens other than Permitted Liens), claims (other than Assumed Liabilities), encumbrances and interests (which shall include, for the avoidance of doubt, the Liens, claims, encumbrances and interests incurred by Seller pursuant to that certain Secured Super Priority Debtor-In-Possession Loan Agreement dated as of April 4, 2017, as amended and in effect), with such Liens, claims encumbrances and interests shall attach to the proceeds of sale of the Purchased Assets; and (C) the performance by Seller of its obligations under this Agreement; (ii) authorizes Seller to assume and assign to Buyer the Acquired Intellectual Property; and (iii) finds that Buyer is a "good faith" buyer within the meaning of Section 363(m) of the Bankruptcy Code and that this Agreement was negotiated, proposed and entered into by the Parties without collusion, in good faith, and from arm's-length bargaining positions; (iv) the Bankruptcy Court shall retain jurisdiction to, among other things, interpret, implement, and enforce the terms and provisions thereof; and (v) this Agreement and the transactions contemplated hereby are not subject to rejection or avoidance by any chapter 7 or chapter 11 trustee of Seller pursuant to Section 363(n) of the Bankruptcy Code. The Sale Order shall be in full force and effect and as of the Closing shall not be stayed, enjoined or modified. Seller shall have delivered to Buyer a certified copy of the Sale Order.

(d) No Violation of Law or Orders. No provisions of any applicable Law or Order enacted, entered, promulgated, enforced or issued by any Governmental Entity shall be in effect that (i) prevents, renders illegal or otherwise prohibits the sale and purchase of the Purchased Assets or any of the other transactions contemplated by this Agreement; or (ii) would adversely affect or interfere with the operation of the Business in a manner that would constitute a Material Adverse Effect.

7.2 Conditions Precedent to the Obligations of Seller. The obligation of Seller to consummate the transactions contemplated by this Agreement is subject to the satisfaction (or waiver by Seller) at or prior to the Closing Time of each of the following conditions:

(a) Accuracy of Representations and Warranties. The representations and warranties of Buyer contained herein shall be true and correct in all material respects on the date hereof in and shall be true and correct in all respects on and as of the Closing Time, with the same force and effect as though such representations and warranties had been made on and as of the Closing Time, except to the extent that any such representations or warranty is made as of a specified date, in which case such representation or warranty shall have been true and correct as of such date; provided, however, that the failure of any such representations or warranties to be true and correct on and as of the Closing Time shall not constitute a basis for Seller to refuse to consummate the transactions contemplated hereby unless such failure, either individually or in the aggregate, has or would reasonably be expected to have a material and adverse effect on Buyer's ability to perform its obligations under this Agreement.

(b) Performance of Obligations. Buyer shall have performed in all material respects all obligations and agreements contained in this Agreement required to be performed by it prior to or on the Closing Time.

(c) Sale Order. The Sale Order shall be in full force and effect and as of the Closing, shall not be stayed, enjoined or modified.

(d) No Violation of Law or Orders. No provisions of any applicable Law or Order enacted, entered, promulgated, enforced or issued by any Governmental Entity shall be in effect that prevents, renders illegal or otherwise prohibits the sale and purchase of the Purchased Assets or any of the other transactions contemplated by this Agreement.

ARTICLE VIII

TERMINATION

8.1 Termination of Agreement. This Agreement may be terminated and the transactions contemplated hereby abandoned at any time prior to the Closing:

(a) By written agreement of Seller and Buyer;

(b) By Buyer:

(i) at any time after July 7, 2017, if the Closing shall not have occurred; provided, however, that Buyer is not in breach of any of its representations and warranties contained in this Agreement and has not failed in any material respect to perform any of its obligations hereunder;

(ii) if any Order permanently restraining, prohibiting or enjoining Buyer or Seller from consummating the transactions contemplated hereby is entered and such Order shall have become a Final Order;

(iii) if there shall have been a material breach by Seller of any of its representations, warranties, covenants or agreements contained in this Agreement, which breach would result in the failure to satisfy one or more of the conditions set forth in Section 7.1, and such breach shall be incapable of being cured or, if capable of being cured, shall not have been cured within fifteen (15) days after written Notice thereof shall have been received by Seller;

(iv) at any time after June 20, 2017, if the Sale Order shall not have been entered; or

(v) upon entry of an Order of the Bankruptcy Court or other court of competent jurisdiction approving any Alternate Transaction.

(c) By Seller:

(i) at any time after July 7, 2017, if the Closing shall not have occurred; provided, however, that Seller is not in breach of any of its representations and warranties contained in this Agreement and has not failed in any material respect to perform any of its obligations hereunder;

(ii) if any Order permanently restraining, prohibiting or enjoining Buyer or Seller from consummating the transactions contemplated hereby is entered and such Order shall have become a Final Order;

(iii) if there shall have been a material breach by Buyer of any of its representations, warranties, covenants or agreements contained in this Agreement, which breach would result in the failure to satisfy one or more of the conditions set forth in Section 7.2, and such breach shall be incapable of being cured or, if capable of being cured, shall not have been cured within ten (10) days after written Notice thereof shall have been received by Buyer;

(iv) intentionally omitted;

(v) at any time after June 20, 2017, if the Sale Order shall not have been entered; or

(vi) upon entry of an Order of the Bankruptcy Court or other court of competent jurisdiction approving an Alternate Transaction.

8.2 Consequences of Termination. If this Agreement is terminated under Section 8.1, notice thereof will forthwith be given to the other party and this Agreement will thereafter become void and have no further force and effect and all further obligations of Seller and Buyer to each other under this Agreement will terminate without further obligation or liability of Seller or Buyer to the other, except that:

(a) Each party will return or destroy all documents, workpapers and other material of any other party relating to the transactions contemplated by this Agreement, whether so obtained before or after the execution of this Agreement, to the party furnishing the same.

(b) Notwithstanding the foregoing, this Section 8.2 and Section 6.5 (Public Announcements), Section 9.1 (Expenses), Section 9.5 (Notices), Section 9.6 (Choice of Law), Section 9.11 (Exclusive Jurisdiction), Section 9.12 (Waiver of Right to Trial by Jury), Section 9.13 (Beneficiaries) and Section 9.17 (Legal Representation) shall survive any such termination of this Agreement.

(c) In the event this Agreement is terminated by Seller pursuant to Section 8.1(c)(iii), then Buyer agrees that the Deposit shall be immediately released and forfeited in favor of Seller and Seller may pursue any additional rights and remedies at Law or in equity that are available against Buyer.

ARTICLE IX

MISCELLANEOUS

9.1 Expenses. Except as set forth in this Agreement and whether or not the transactions contemplated hereby are consummated, each party hereto shall bear all costs and expenses incurred or to be incurred by such party in connection with this Agreement and the consummation of the transactions contemplated hereby. As between Buyer and Seller, Seller

shall bear all costs of any Persons (other than Buyer, its Representatives or Affiliates) entitled to reimbursement by the Bankruptcy Court.

9.2 Assignment. Neither this Agreement nor any of the rights or obligations hereunder may be assigned by Seller without the prior written consent of Buyer, or by Buyer without the prior written consent of Seller; provided, that Buyer may assign its rights and liabilities hereunder to one or more Affiliates of Buyer, which assignment shall not relieve Buyer of its obligations hereunder. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

9.3 Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of Seller and Buyer, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement except as expressly set forth herein. Without limiting the foregoing, no direct or indirect holder of any equity interests or securities of either Seller or Buyer (whether such holder is a limited or general partner, member, stockholder or otherwise), nor any Affiliate of either Seller or Buyer, nor any Representative, or controlling Person of each of the parties hereto and their respective Affiliates, shall have any liability or obligation arising under this Agreement or the transactions contemplated hereby.

9.4 Risk of Loss. Seller will bear all risk of loss occurring to or upon any portion of the Purchased Assets prior to the Closing Time. In the event that any material portion of any Purchased Assets is damaged or destroyed prior to Closing Time, then with respect to such Purchased Assets Buyer may, at Buyer's option, either (a) proceed to close notwithstanding the damage or destruction of such Purchased Assets; or (b) exclude such Purchased Assets, in which event Buyer shall have no obligation to close if, as a consequence of the exclusion of such Purchased Assets, any condition to Closing in Section 7.1 would not be satisfied. If Buyer closes notwithstanding an unrepaired or unrestored loss to a Purchased Asset, Seller will deliver and/or assign to Buyer any insurance proceeds with respect to such damage or destruction, and all Claims against third parties relating thereto, and the adjustment to the Purchase Price shall be limited to the amount of any deductible or self-insured retention under the applicable policies of insurance.

9.5 Notices. All notices, demands, requests, consents, approvals or other communications (collectively, "**Notices**") required or permitted to be given hereunder or that are given with respect to this Agreement shall be in writing and shall be personally served, delivered by a nationally recognized overnight delivery service with charges prepaid, or transmitted by hand delivery or electronic mail, addressed as set forth below, or to such other address as such party shall have specified most recently by written Notice. Notice shall be deemed given on the date of service or transmission if personally served, transmitted by electronic mail; provided, that if delivered or transmitted on a day other than a Business Day or after normal business hours, notice shall be deemed given on the next Business Day. Notice otherwise sent as provided herein shall be deemed given on the next Business Day following timely deposit of such Notice with an overnight delivery service:

If to Seller:

Lily Robotics, Inc.
c/o Goldin Associates, LLC

350 Fifth Avenue, New York, NY, 10118
Attention: Spencer Wells and Curtis G. Solsvig
Email: swells@drivetrainadvisors.com
Email: csolsvig@goldinassociates.com

With a copy to:

Orrick, Herrington & Sutcliffe LLP
51 West 52nd Street
New York, NY 10019-6142
Attention: John V. Bautista,
Douglas S. Mintz,
Laura Metzger
Email: jbautista@orrick.com
Email: dmintz@orrick.com
Email: lmetzger@orrick.com

If to Buyer:

LR Acquisition, LLC
601 West 26th St, Ste 1762
New York, NY 10001
Attention: David Hazan
Email: dhazan@ahaventuresllc.com

With a copy to:

ASK LLP
Edward E. Neiger, Esq.
Jennifer A. Christian, Esq.
151 W. 46th St., 4th Floor
New York, New York 10036
eneiger@askllp.com
jchristian@askllp.com

Rejection of or refusal to accept any Notice, or the inability to deliver any Notice because of changed address of which no Notice was given, shall be deemed to be receipt of the Notice as of the date of such rejection, refusal or inability to deliver.

9.6 Choice of Law. This Agreement shall be construed and interpreted, and the rights of the parties shall be determined, in accordance with the substantive laws of the State of New York, without giving effect to any provision thereof that would require the application of the substantive laws of any other jurisdiction, except to the extent that such laws are superseded by the Bankruptcy Code.

9.7 Entire Agreement; Amendments and Waivers. This Agreement, the Confidentiality Agreement and all agreements entered into pursuant hereto and all certificates and instruments delivered pursuant hereto and thereto constitute the entire agreement between the parties hereto pertaining to the subject matter hereof and supersede all other prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties. This Agreement may be amended, supplemented or modified, and any of the terms, covenants, representations, warranties or conditions may be waived, only by a written instrument executed

by Buyer and Seller, or in the case of a waiver, by the party waiving compliance. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), and no such waiver shall constitute a continuing waiver unless otherwise expressly provided.

9.8 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Counterparts to this Agreement may be delivered via email. In proving this Agreement, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought.

9.9 Invalidity. If any one or more of the provisions contained in this Agreement or in any other instrument referred to herein, shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, the parties shall use their reasonable efforts, including the amendment of this Agreement, to ensure that this Agreement shall reflect as closely as practicable the intent of the parties hereto on the date hereof.

9.10 Headings. The table of contents and the headings of the Articles and Sections herein are inserted for convenience of reference only and are not intended to be a part of, or to affect the meaning or interpretation of, this Agreement.

9.11 Exclusive Jurisdiction.

(a) Without limiting any party's right to appeal any order of the Bankruptcy Court, during the Chapter 11 Case: (i) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide (insofar as they relate to Seller) any Claims or disputes which may arise or result from, or be connected with, this Agreement, any breach or default hereunder, or the transactions contemplated hereby; and (ii) any and all Claims, actions, causes of action, suits and proceedings related to the foregoing shall be filed and maintained only in the Bankruptcy Court, and the parties hereby consent to and submit to the jurisdiction and venue of the Bankruptcy Court and shall receive Notices at such locations as indicated in Section 9.5.

(b) Upon the closing of the Chapter 11 Case, except as otherwise expressly provided in this Agreement, all of the parties hereto irrevocably agree and consent to the jurisdiction of the federal courts in Delaware for the adjudication of any matters arising under, pursuant to or in connection with this Agreement. Process in any such suit, action or Proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 9.5 shall be deemed effective service of process on such party.

9.12 WAIVER OF RIGHT TO TRIAL BY JURY. SELLER AND BUYER HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY).

9.13 Beneficiaries. Nothing in this Agreement, express or implied, is intended to confer upon any other Person any rights or remedies of any nature under or by reason of this Agreement, except as expressly provided herein.

9.14 Counting. If the due date for any action to be taken under this Agreement (including the delivery of Notices) is not a Business Day, then such action shall be considered timely taken if performed on or prior to the next Business Day following such due date.

9.15 Preparation of this Agreement. Buyer and Seller hereby acknowledge that (a) Buyer and Seller jointly and equally participated in the drafting of this Agreement and all other agreements contemplated hereby; (b) Buyer and Seller have been adequately represented and advised by legal counsel with respect to this Agreement and the transactions contemplated hereby; and (c) no presumption shall be made that any provision of this Agreement shall be construed against either party by reason of such role in the drafting of this Agreement and any other agreement contemplated hereby.

9.16 Termination of Representations, Warranties and Covenants. The representations, warranties and covenants (other than any covenant that by its express terms requires performance after the Closing) made by Seller and Buyer in this Agreement or pursuant to any other document delivered by such parties in connection herewith shall terminate on the Closing Date, provided that the covenants contained in 3.4 (Allocation of Purchase Price), 6.3 (Access), 6.4 (Confidentiality; Privacy), 6.70 (Employment and Benefits Matters), 6.8 (Payment of Transfer Taxes and Tax Filings), 6.9 (Proration of Taxes and Certain Charges), 6.10 (Reasonable Efforts; Notification) 6.12 (Further Assurances) and 6.13 (Allocation Dispute) shall survive for a period of one (1) year following the Closing Date.

9.17 Legal Representation. Buyer hereby waives (and will cause its Affiliates to waive) any conflicts that may arise in connection with, and will not challenge (and will cause its Affiliates not to challenge), Claims of attorney-client privilege, attorney work product, or similar privilege or immunity with respect to the representation by Orrick, Herrington & Sutcliffe LLP of Seller prior to or on the Closing Date in connection with any matter arising under, or relating to, this Agreement and the transactions contemplated by this Agreement. In addition, notwithstanding anything in this Agreement to the contrary, all communications involving attorney client confidences between Seller, on the one hand, and Orrick, Herrington & Sutcliffe LLP, on the other hand, in the course of the negotiation, documentation and consummation of the transactions contemplated hereby shall be deemed to be attorney client confidences that belong solely to Seller. Accordingly, Buyer shall not have access to any such communications or to the files of Orrick, Herrington & Sutcliffe LLP relating to such engagement from and after the Closing, and no actions taken by Seller or its representatives to retain, remove or otherwise protect such communications will be deemed a breach or violation of this Agreement or any other documents or instruments hereunder.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, this Asset Purchase Agreement has been duly executed and delivered by the duly authorized officers of Seller and Buyer as of the date first above written.

BUYER

LR ACQUISITION, LLC

By: _____
Name:
Title:

SELLER

LILY ROBOTICS, INC.

By: _____
Name:
Title:

Exhibit A

Form of Bill of Sale and Assignment

Exhibit B

Form of Assumption Agreement

Exhibit C

Form of Copyright Assignment

Exhibit D

Form of Patent Assignment

Exhibit E

Bidding Procedures

Exhibit F

Procedures Order

Schedule 2.1(a)

Software

Schedule 2.2(a)

Excluded Intellectual Property