

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

In re:)	
	)	Chapter 11
LIMITED STORES COMPANY, LLC, <i>et al.</i> , ¹	)	Case No. 17-10124 (___)
)	
Debtors.	)	(Joint Administration Requested)
)	

DEBTORS’ MOTION FOR ENTRY OF

- (I) AN ORDER (A) APPROVING FORM AND MANNER OF NOTICES, (B) SCHEDULING A BID PROTECTIONS HEARING, AN AUCTION, A SALE HEARING, AND ESTABLISHING DATES AND DEADLINES RELATED THERETO, (C) APPROVING PROCEDURES FOR THE ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS, AND (D) GRANTING RELATED RELIEF;**

- (II) AN ORDER (A) APPROVING CERTAIN BID PROTECTIONS IN CONNECTION WITH THE SALE OF CERTAIN OF THE DEBTORS’ ASSETS AND (B) GRANTING RELATED RELIEF; AND**

- (III) AN ORDER (A) APPROVING THE ASSET PURCHASE AGREEMENT BETWEEN THE DEBTORS AND THE PURCHASER, (B) AUTHORIZING THE SALE OF CERTAIN OF THE DEBTORS’ ASSETS FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS, (C) AUTHORIZING THE ASSUMPTION AND ASSIGNMENT OF CONTRACTS, AND (D) GRANTING RELATED RELIEF**

Limited Stores Company, LLC and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “Debtors”),² respectfully state the following in support of this motion:

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: Limited Stores Company, LLC (6463); Limited Stores, LLC (0165); and The Limited Stores GC, LLC (6094). The location of the Debtors’ service address is: 7775 Walton Parkway, Suite 400, New Albany, Ohio 43054.

² A detailed description of the Debtors and their businesses, and the facts and circumstances supporting this motion and the Debtors’ chapter 11 cases, are set forth in greater detail in the *Declaration of Timothy D. Boates of Limited Stores Company, LLC, in Support of Chapter 11 Petitions and First Day Motions* (the “First Day Declaration”), filed contemporaneously with the Debtors’ voluntary petitions for relief filed under chapter 11 of

Relief Requested

1. The Debtors seek entry of three orders:
 - *first*, an order, substantially in the form attached hereto as **Exhibit A** (the “Sale Notice Order”): (a) approving the Debtors’ proposed form of notice of the hearing (the “Bid Protections Hearing”) to approve Bid Protections (defined below) and the hearing (the “Sale Hearing”) to approve the proposed sale (the “Sale”) of certain of the Debtors’ intellectual property (the “Intellectual Property”) and related assets (collectively, the “Assets”) free and clear of liens, claims, encumbrances, and other interests and (b) scheduling an auction (the “Auction”), the Bid Protections Hearing, Sale Hearing, and certain dates and deadlines related thereto, (c) approving procedures for the assumption and assignment of certain executory contracts (the “Executory Contracts”), and (d) granting related relief;
 - *second*, an order, substantially in the form attached hereto as **Exhibit B** (the “Bid Protections Order”): (a) approving certain bid protections (the “Bid Protections”) in connection with the Sale of the Assets, and (b) granting related relief; and
 - *third*, an order substantially in the form attached hereto as **Exhibit C** (the “Sale Order”): (a) approving the sale of the Assets pursuant to that certain asset purchase agreement dated January 12, 2017, by and among Debtors Limited Stores, LLC and The Limited Stores GC, LLC (the “Selling Debtors”) and Limited IP Acquisition LLC (the “Purchaser”), annexed as **Exhibit 1** to **Exhibit C** attached hereto (the “Purchaser APA”) or to a higher or better purchaser (the “Overbid Purchaser”) at the Auction pursuant to an asset purchase agreement between the Selling Debtors and an Overbid Purchaser, if any, (the “Overbid APA”), (b) authorizing and approving the Sale of the Assets free and clear of liens, claims, encumbrances, and other interests, (c) authorizing the assumption and assignment of certain executory contracts (the “Executory Contracts”) as set forth in the Purchaser APA or Overbid APA, and (d) granting related relief.

Jurisdiction and Venue

2. The United States Bankruptcy Court for the District of Delaware (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*,

title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”), on January 17, 2017 (the “Petition Date”).

dated February 29, 2012. The Debtors confirm their consent, pursuant to Rule 7008 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), to the entry of final orders by the Court in connection with this motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

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

4. The bases for the relief requested herein are sections 105, 363, 365 and 503 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, and 6006, and Local Rule 6004-1.

Preliminary Statement

5. Founded in 1963 as a single store, the Debtors expanded over the past five decades to become a household name throughout the United States for women’s apparel. The Debtors’ businesses focused on two channels: (a) their primarily mall-based brick and mortar business and (b) their online e-commerce business, which could be accessed through their website at www.thelimited.com. Despite years of popularity and expansion, the Debtors, like many other retailers, recently faced significant operational challenges—including declining mall traffic, an increase in online shopping, and disappointing sales—resulting in a precipitous drop in EBITDA over the course of 2016. As a result, the Debtors were forced to make difficult cost-cutting decisions during the fourth quarter of 2016 to preserve liquidity and maximize value for their stakeholders, including cancelling orders of new inventory and undertaking a significant reduction in force at their corporate headquarters.

6. During this time, the Debtors retained experienced investment banking, financial, and restructuring advisors to facilitate their review, analysis, and development of potential

alternatives. In September 2016, the Debtors reignited their marketing efforts, which initially began in late 2015, when the Debtors received, and ultimately forwent, first an unsolicited offer to enter into a joint venture involving the Intellectual Property, and subsequently an offer to acquire 100% of the equity interests in the Company. Spearheaded by Guggenheim Securities, LLC (“Guggenheim”), over the ensuing five months the Debtors exhaustively marketed their assets, exploring various transaction structures, including transactions involving the sale of the company as a whole including the Debtor’s brick and mortar business and transactions centered on the Debtors’ Intellectual Property and e-commerce business.³

7. As the process progressed, the Debtors received interest from numerous potential purchasers. But despite several parties expressing initial interest in a going concern transaction involving the Debtors’ brick and mortar business, the Debtors were only able to obtain written indications of interest structured around the Debtors’ Intellectual Property (some of which were coupled with an accompanying inventory liquidation). Indeed, despite repeated requests, no party would submit a written indication of interest—even a non-binding one—for a going concern transaction involving the Debtors’ brick and mortar business. Thus, in December 2016, with no new inventory arriving and a fixed liquidity runway, the Debtors began an orderly and efficient liquidation process focused on the twin goals of winding down their brick and mortar business and selling their Intellectual Property and related assets while still entertaining any interest expressed in the remaining brick and mortar operations.

8. As described in the First Day Declaration and Savini Declaration, the first of these goals is complete, as the Debtors liquidated substantially all of their inventory and ceased operations at all of their approximately 250 brick and mortar locations prior to commencement of

³ In support of this motion, the Debtors also rely upon the *Declaration of Durc Savini in Support of the Debtors’ Sale Motion* (the “Savini Declaration”) attached hereto as **Exhibit D**.

these cases. And the second of these goals is also nearly complete. After seeking and obtaining several new or revised indications of interest for just the Intellectual Property and related assets, two parties entered into formal asset purchase agreement negotiations. After several weeks of negotiations and further due diligence by the parties, the process culminated in a bidding contest between those parties. The Purchaser ultimately prevailed as the successful bidder after more than two dozen rounds of bidding, during which the cash portion of the purchase price increased by approximately 72% and the Purchaser APA subsequently was finalized. As a result, the Debtors are in the position of beginning these chapter 11 cases with not only a purchaser of the Assets, but with a purchase price that has been fully vetted and competitively tested—yet still subject to higher or better offers through a bankruptcy sale process.

9. But time is of the essence if the Debtors are to capitalize on the work performed to date. Under the Purchaser APA, the Purchaser has agreed to purchase the Assets for a cash purchase price of \$25.75 million (the “Cash Portion”) and assume the Selling Debtors’ obligations under the Executory Contracts (collectively, the “Purchase Price”). The Debtors have approximately \$13.4 million of funded debt secured by the Assets and approximately \$250,000 of cash on hand. In addition, the Debtors anticipate that the administrative expense of these chapter 11 cases will be approximately \$3.4 million per month prior to the anticipated closing of the proposed Sale. Thus, the Debtors’ ability to return any value to their unsecured creditors is dependent on their ability to efficiently proceed on the timeline proposed herein. Specifically, the Debtors respectfully request that the Court approve the following timeline:

- setting the Bid Protections Hearing to consider approval of the Bid Protections to occur no later than ten (10) days after the Petition Date;
- setting the Sale Hearing to occur no later than thirty (30) days after the Petition Date;

- setting the objection deadline and the deadline to submit competing binding offers with respect to the Sale of the Assets (respectively, the “Sale Objection Deadline” and the “Bid Deadline”) to be no later than seven (7) days prior to the Sale Hearing; and
- setting the Auction, if any, to occur no later than five days prior to the Sale Hearing.

10. The Debtors believe that this timeline is essential to maximizing the value of their estates. Although the Debtors will welcome a higher or better offer, in light of their extensive and competitive prepetition marketing process, as well as the significant media coverage regarding the sale process that would have been expected to notify any additional interested parties not contacted by Guggenheim of the potential opportunity, a longer sale process is unlikely to yield a material, if any, increase in the Debtors’ prospects of receiving a higher or better offer. Materially extending the sale process, however, will increase the costs associated with these cases that either is not supported by the proposed DIP Facility or will diminish the potential value available for creditors of the Debtors’ estates. In addition, the Purchaser’s value proposition is dependent on the Debtors swiftly proceeding to consummation of the Sale and minimizing any negative effects that the Debtors’ chapter 11 cases may have on the value of the Debtors’ “brand”—a critical component of the Intellectual Property (for both the Purchaser as well as any Overbid Purchaser). Delay could also lead to the Debtors becoming unable to meet the Sale milestones in the Purchaser APA, which in turn could result in the Purchaser terminating the Purchaser APA or seeking to renegotiate the purchase price.

11. Consummating the Sale is an essential step in resolving these chapter 11 cases and maximizing value to the Debtors’ creditors. Ultimately, the Debtors believe that the Sale of the Assets is a sound exercise of their business judgment, and that the relief requested in the Motion is in the best interests of their creditors and all other parties in interest. Accordingly, the Court should approve the relief requested herein.

Background

I. The Prepetition Marketing Process and Proposed Sale.

12. The Debtors' marketing efforts with respect to the Assets date back to mid-2015. At that time, the Debtors received an offer to enter into a joint venture (the "2015 JV Offer") pursuant to which the Debtors would sell a majority interest in the Intellectual Property to a potential buyer (the "2015 JV Buyer"). The transaction anticipated that the Debtors and the 2015 JV Buyer would then develop new sales channels, including wholesale, that would be complementary to the company's existing brick and mortar and e-commerce businesses. The Debtors determined to reject the 2015 JV Offer, after which they entered into discussions with the 2015 JV Buyer and a third-party retail partner regarding the sale of the Debtors' entire business as a going concern. Ultimately, the parties were unable to negotiate an acceptable purchase price. Based on the Debtors' projections for the remainder of 2015 and 2016, the Debtors decided to forgo transaction opportunities at that time and revisit a potential transaction the following year.

13. Unfortunately, the Debtors (like many of their peers) significantly underperformed their projections during 2016. After receiving an inquiry from the 2015 JV Buyer in September 2016, the Debtors elected to revisit the idea of monetizing their Intellectual Property, including through a construct similar to the 2015 JV Offer. Based in part on the financial performance of the Debtors' brick and mortar business, the Debtors believed at the time—and continue to believe—that selling or otherwise monetizing the Intellectual Property was the most likely path to maximizing the value of the Debtors' assets for the benefit of its stakeholders. Nevertheless, the Debtors also elicited proposals from potentially interested parties for the sale of the Debtors' entire business. In addition to engaging with the 2015 JV Buyer, the Debtors initially solicited bids from three other potential buyers, two of whom signed non-

disclosure agreements (“NDAs”) and were provided access to confidential information regarding the Debtors’ Intellectual Property, business, and other assets.

14. As a result of these efforts, the Debtors received one written, non-binding indication of interest to purchase a majority stake in a joint venture involving the Debtors’ Intellectual Property.

15. As the Debtors’ operating performance continued to deteriorate, in late October 2016, the Debtors adjusted their marketing efforts, and began exploring sale transactions potentially involving a chapter 11 process. During this phase of the sale process, the Debtors reached out to 27 potential purchasers (including those that the Debtors had previously contacted). These potential purchasers included both financial and strategic counterparties, as well as entities that specialize in the liquidation of distressed retailers. Twenty potential purchasers signed NDAs (or had already signed NDAs) and were provided access to confidential information about the Debtors and their assets, including the Assets that are the subject of this Motion. The Debtors ultimately received five non-binding indications of interest from potential purchasers. Generally, all bids received by the Debtors during this time period contemplated the liquidation of the Debtors’ existing inventory coupled with a separate sale of the Intellectual Property. Despite certain parties expressing interest in a going concern transaction involving the Debtors’ brick and mortar business, no party submitted even a non-binding written indication of interest contemplating such a transaction.

16. After analyzing the bids received during this later process, the Debtors determined that a separate sale of the Intellectual Property, along with the pre-filing liquidation of the Debtors’ remaining inventory would maximize the value of their assets for the benefit of their creditors. Accordingly, in mid-December 2016, the Debtors engaged Hilco Merchant

Resources, LLC to assist with the liquidation of existing inventory and winding down the Debtors' brick and mortar locations and shifted focus to further marketing the Intellectual Property. Ultimately, two parties submitted written, non-binding indications of interest for the Intellectual Property and entered into formal asset purchase agreement negotiations with the Debtors. After several weeks of negotiations and further due diligence, the process culminated in a bidding contest among those parties that resulted in the Purchaser ultimately prevailing as the successful bidder after more than two dozen rounds of bidding, during which the cash portion of the purchase price increased by approximately 72%. Thereafter, on January 12, 2017, the Selling Debtors entered into the Purchaser APA, based on their firm belief that the Purchaser APA will maximize value for their estates.

17. Shortly after entering into the Purchaser APA, the Debtors commenced these chapter 11 cases. The Debtors now seek authority to consummate the Sale contemplated by the Purchaser APA, free and clear of all liens, claims, encumbrances, and interests pursuant to section 363 of the Bankruptcy Code. In the Debtors' business judgment, consummating the Sale is in the best interests of their estates. As set forth above, the terms of the Sale are the product of arm's-length negotiations and are customary in the retail industry for this sort of transaction. The Purchaser is not affiliated with the Debtors in any way and has proceeded in good faith during the entirety of the Sale negotiation process. In light of the Sale negotiation process described above, the Debtors believe that proceeding with the Sale is in the best interest of the Debtors, their estates, and all parties in interest.

II. Material Terms of the Purchaser APA.

18. The following chart summarizes the key terms and conditions of the Purchaser APA that are not also disclosed in the subsequent charts.⁴

PROVISION	SUMMARY DESCRIPTION
Parties	<p><u>Sellers</u>: Limited Stores, LLC and The Limited Stores GC, LLC</p> <p><u>Purchaser</u>: Limited IP Acquisition LLC</p>
Purchase Price	Pursuant to the Sale Agreement, the Sellers will sell all currently owned Intellectual Property and certain existing contracts and assets for a purchase price of \$25.75 million and the assumption of certain obligations. <i>Asset Purchaser APA §§ 2.1, 3.1.</i>
Assets	The Sellers will sell and the Purchaser will purchase: (i) all Intellectual Property owned by the Sellers, including the right to sue for past, present, or future infringement, misappropriation, dilution or other violation; (ii) all of Sellers' rights existing under certain Executory Contracts and (iii) certain of the Sellers' other assets and (iv) all Avoidance Actions with respect to MGF Sourcing US, LLC or any of its subsidiaries and all rights thereunder. <i>Purchaser APA § 2.1(a).</i>
Assumed Obligations	The Purchaser shall assume all liabilities of the Seller under the Executory Contracts. <i>Purchaser APA § 2.2.</i>
Assumed Contracts	The Debtors shall assume and assign to the Purchasers certain Executory Contracts and the Purchaser shall cure any and all defaults under the Executory Contracts pursuant to section 363 of the Bankruptcy Code. <i>Purchaser APA § 2.2.</i>

⁴ These summary charts provided below are for the convenience of the Court and parties in interest. To the extent there is any conflict between these summaries and the Purchaser APA, the Purchaser APA shall govern in all respects. Capitalized terms used but not defined in the following summary shall have the meaning ascribed to them in the Purchaser APA. All references to schedules or sections in the following summary shall refer to schedules or sections of the Purchaser APA.

19. The following chart discloses certain information required pursuant to Local Rule 6004-1.

PROVISION	SUMMARY DESCRIPTION
Sale to Insider Local Rule 6004-1(b)(iv)(A)	The Purchaser is not an insider.
Agreements with Management Local Rule 6004-1(b)(iv)(B)	None.
Releases Local Rule 6004-1(b)(iv)(C)	None.
Private Sale/No Competitive Bidding Local Rule 6004-1(b)(iv)(D)	The Purchaser APA is subject to higher or better offers, provided that (a) any such higher or better offer qualifies as an Overbid (as defined in the Sale Notice Order) and (b) any such Overbid is submitted to the Debtors no later than the Bid Deadline (defined below).
Closing and Other Deadlines Local Rule 6004-1(b)(iv)(E)	Closing shall occur no later than the first business day after the date on which the closing conditions have been satisfied. The closing conditions include the entry by the Court of the Bid Protections Order and the Sale Order. <i>Purchaser APA §§ 8.2, 10.1</i>
Good-Faith Deposit Local Rule 6004-1(b)(iv)(F)	Upon execution of the Purchaser APA, the Purchaser deposited an amount equal to five percent (5%) of the Cash Portion of the purchase price (i.e., \$1,287,500) into an Escrow Account, which shall either be applied towards the purchase price, kept by the Selling Debtors, or returned to the Purchaser. <i>Purchaser APA § 3.2</i>

PROVISION	SUMMARY DESCRIPTION
Interim Arrangements with Proposed Buyer Local Rule 6004-1(b)(iv)(G)	None.
Use of Proceeds Local Rule 6004-1(b)(iv)(H)	The Cash Portion of the Purchase Price to be applied in accordance with any Order of the Bankruptcy Court in effect authorizing the Debtors' entry into any DIP Credit Agreement. <i>Purchaser APA § 1.1, definition of "Sale Order"</i>
Tax Exemption Local Rule 6004-1(b)(iv)(I)	None.
Record Retention Local Rule 6004-1(b)(iv)(J)	The Purchaser is not purchasing the Debtors' Books and Records.
Sale of Avoidance Actions Local Rule 6004-1(b)(iv)(K)	All Avoidance Actions with respect to MGF Sourcing US, LLC or any of its subsidiaries and all rights thereunder. <i>Purchaser APA § 2.1(a)</i> .
Requested Findings as to Successor Liability Local Rule 6004-1(b)(iv)(L)	Requesting a finding that the Purchaser is not a successor to the Debtors or their estates and the Sale does not amount to a consolidation, merger, or de facto merger of Purchaser and the Debtors. <i>Sale Order ¶ M</i>
Sale Free and Clear of Unexpired Leases Local Rule 6004-1(b)(iv)(M)	None.

PROVISION	SUMMARY DESCRIPTION
Credit Bid Local Rule 6004-1(b)(iv)(N)	Pursuant to the terms of any order authorizing the Debtors' entry into the DIP Credit Agreement, the Pre-Petition Agent and the DIP Agent (as such terms are defined below) have preserved the right to credit bid their obligations under the DIP Credit Agreement and Pre-Petition Credit Agreement (defined below).
Relief from Bankruptcy Rule 6004(h) Local Rule 6004-1(b)(iv)(O)	To maximize the value received for the assets, the Debtors are seeking to close the Sale as soon as possible after the hearing on this Motion. The Debtors, therefore, have requested a waiver of the fourteen-day stay under Bankruptcy Rule 6004(h).
Bid Protections	<p><u>Breakup Fee</u>: A breakup fee equal to three percent (3%) of the Cash Portion of the Purchase Price (i.e., \$772,500), payable in the event that the Purchaser APA is terminated and the Selling Debtors consummate an alternative transaction. <i>Purchaser APA § 11.2(e)</i>.</p> <p><u>Expense Reimbursement</u>: A reasonable expense reimbursement of up to \$500,000 if the Purchaser APA is terminated. <i>Purchaser APA § 11.2(d)</i>.</p> <p>The Bid Protections will be an administrative expense priority claim. <i>Purchaser APA § 11.2(f)</i>.</p>

III. The Bid Protections and Proposed Sale Process.

20. As set forth above, the Purchaser APA contemplates Bid Protections in the form of a three percent (3%) break-up fee and an expense reimbursement in an amount not to exceed \$500,000. By this motion, the Debtors seek entry of an order approving the Bid Protections. The Bid Protections were a necessary component of the Purchaser's bid, and the Debtors do not believe that the Purchaser would have submitted a proposal, let alone permitted such proposal to be subject to superior offers postpetition, without the Bid Protections. Accordingly, the Debtors believe that the benefit of the Purchaser APA outweighs the cost associated with the Bid Protections.

21. In addition, the Debtors seek to only hold an Auction if they obtain an Overbid that: (a) is a bulk bid to purchase all or substantially all of the Assets; (b) clearly sets forth the

purchase price to be paid, including and identifying separately any cash and non-cash components (the “Bid Price”); (c) is accompanied by a cash deposit in the amount equal to 5% of the Bid Price to be held in an escrow account to be identified and established by the Debtors; (d) provides consideration equal to or in excess of the sum of (i) cash in an amount equal to \$25,750,000, (ii) cash equal to the Bid Protections (i.e., \$1,272,500), and (iii) \$250,000; and (e) that is otherwise higher or better than the Purchaser APA, as determined in the Debtors’ business judgment; *provided however* that the DIP Agent and Pre-Petition Agent shall have the absolute right to credit bid any portion or all of the Debtors’ outstanding obligations under the DIP Credit Agreement and the Pre-Petition Credit Agreement pursuant to Bankruptcy Code section 363(k), with such amounts treated the same as a cash bid of the equivalent amount, and without being required to pay any deposit in respect of such credit bid.

IV. The Proposed Sale Process (First-Day Relief Requested).

22. To ensure that the Debtors capture the full benefit of the Purchaser APA, the Debtors seek entry of an order scheduling the Bid Protections Hearing within ten days after the Petition Date and, as described in greater detail below, the Sale Hearing within thirty days after the Petition Date. The Debtors further seek entry of an order scheduling certain dates and deadlines in connection with the Sale Hearing, including an objection and competing bid deadline (seven days before the Sale Hearing) and, if needed, an auction date (five days before the Sale Hearing). The Debtors believe that consummation of the Sale in accordance with the timeframe contemplated herein will maximize the value of the Assets and otherwise inure to the benefit of their estates.

V. Form and Manner of Sale Hearing Notice (First-Day Relief Requested).

23. Subject to entry of the Sale Notice Order, on or within three business days of entry of the Sale Notice Order, the Debtors will cause the notice, substantially in the form

attached as **Exhibit 1** to the Sale Notice Order (the “Sale Hearing Notice”) to be served on the following parties or their respective counsel, if known: (a) the Office of the United States Trustee for the District of Delaware; (b) the holders of the 30 largest unsecured claims against the Debtors (on a consolidated basis); (c) the administrative agent (the “Pre-Petition Agent”) under the Debtors’ prepetition term loan (the “Pre-Petition Credit Agreement”); (d) counsel to the administrative agent under the Debtors’ prepetition term loan; (e) the agent (the “DIP Agent”) under the Debtors’ proposed debtor-in-possession credit facility (the “DIP Credit Agreement”); (f) counsel to the agent under the Debtors’ proposed debtor-in-possession credit facility; (g) the United States Attorney’s Office for the District of Delaware; (h) all taxing authorities having jurisdiction over any of the Assets, including the Internal Revenue Service; (i) the Environmental Protection Agency; (j) the office of the attorneys general for the states in which the Debtors operate; (k) the Securities and Exchange Commission; (l) counsel to the Purchaser; (m) all parties that have expressed a written interest in acquiring any of the Assets, (n) counterparties to the Executory Contracts (the “Executory Contract Counterparties”), (o) all parties that are known or reasonably believed by the Debtors to have asserted any lien, encumbrance, claim, or other interest in the Assets; (p) all governmental agencies that are known or reasonably believed by the Debtors to be an interested party with respect to the Sale and the related transactions, and (q) any party that has requested notice pursuant to Bankruptcy Rule 2002.

24. In addition, within three business days after entry of the Sale Notice Order, as soon as practicable thereafter, the Debtors will provide notice of the Sale Hearing through the publication of the Sale Hearing Notice: (a) on the website of the Debtors’ proposed noticing and claims agent to be retained in these chapter 11 cases, Donlin Recano & Company, LLC,

www.donlinrecano.com/limitedstores and the Debtors' website and (b) in *The New York Times* or *USA Today*.

25. The Sale Hearing Notice will indicate that copies of this motion and any future sale documents, if applicable, can be obtained on the website of the Debtors' proposed noticing and claims agent to be retained in these chapter 11 cases, Donlin Recano & Company, LLC, www.donlinrecano.com/limitedstores.

26. The Debtors respectfully submit that the Sale Hearing Notice is reasonably calculated to provide interested parties with notice of the Bid Protections Hearing, Sale and Sale Hearing and an opportunity to respond accordingly.

VI. Summary of the Assumption Procedures (First-Day Relief Requested).

27. The Debtors also seek approval of certain procedures to facilitate the fair and orderly assumption and assignment of the Executory Contracts in connection with the Sale (the "Assumption Procedures"). Because the Sale Notice Order sets forth the Assumption Procedures in detail, they are not restated herein. Generally, however, the Assumption Procedures: (a) outline the process by which the Debtors will serve notice to all Executory Contract Counterparties regarding the proposed assumption and assignment and related cure amounts, if any, informing such parties of their right and the procedures to object thereto; and (b) establish objection and other relevant deadlines and the manner for resolving disputes relating to the assumption and assignment of the Contracts to the extent necessary.

VII. The Bid Protections Hearing (First-Day Relief Requested).

28. The Debtors request that the Court schedule the Bid Protections Hearing no later than January 27, 2017. In light of the extensive prepetition marking process, the Debtors believe that a longer process would not materially increase the Debtors' prospects of receiving a higher or better offer. In addition, the Purchaser may terminate the Purchaser APA if the Bid Protection

Order is not entered before February 3, 2017. The Debtors further request that the objection deadline regarding the Bid Protections be two days prior to the Bid Protections Hearing.

VIII. The Sale Hearing (First-Day Relief Requested).

29. The Debtors request that the Court schedule the Sale Hearing no later than February 16, 2017. In light of the extensive prepetition marketing process, during which numerous parties signed NDA's and conducted diligence, a longer process would not materially increase the Debtors' prospects of receiving a higher or better offer. It is speculative at this point whether extending the process would benefit the estate, and the cost and delay arising from a longer process could result in an inferior result and potentially allow the Purchaser to decline to participate. In addition, the Purchaser may terminate the Purchaser APA if the Sale Order is not entered before February 24, 2017. The Debtors further request that (a) the Sale Objection Deadline and Bid Deadline be seven (7) days prior to such hearing and (b) the Auction, if any, to occur no later than five (5) days prior to the Sale Hearing.

Basis for Relief

I. The Sale Should Be Approved as an Exercise of Sound Business Judgment.

30. Section 363(b)(1) of the Bankruptcy Code provides that a debtor, "after notice and a hearing, may use, sell or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). A sale of the debtor's assets should be authorized pursuant to section 363 of the Bankruptcy Code if a sound business purpose exists for the proposed transaction. *See, e.g., In re Martin*, 91 F.3d 389, 395 (3d Cir. 1996) ("Under Section 363, the debtor in possession can sell property of the estate . . . if he has an 'articulated business justification.'"); *see also In re Schipper*, 933 F.2d 513, 515 (7th Cir. 1991) (same); *Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1070 (2d Cir. 1983); *In re Telesphere Commc'ns, Inc.*, 179 B.R. 544, 552 (Bankr. N.D. Ill. 1999).

31. Once the Debtors articulate a valid business justification, “the business judgment rule . . . ‘is a presumption that in making the business decision the directors of a corporation acted on an informed basis, in good faith, and in the honest belief that the action was in the best interests of the company.’” *In re S.N.A. Nut Co.*, 186 B.R. 98, 102 (Bankr. N.D. Ill. 1995) (citations omitted); *In re Filene’s Basement, LLC*, No. 11-13511 (KJC), 2014 WL 1713416, at *12 (Bankr. D. Del. Apr. 29, 2014) (“If a valid business justification exists, then a strong presumption follows that the agreement at issue was negotiated in good faith and is in the best interests of the estate”) (citations omitted); *In re Integrated Res., Inc.*, 147 B.R. 650, 656 (S.D.N.Y. 1992); *In re Johns-Manville Corp.*, 60 B.R. 612, 615–16 (Bankr. S.D.N.Y. 1986) (“a presumption of reasonableness attaches to a debtor’s management decisions.”).

32. Based on these principles, the Court should grant this motion and approve the Sale free and clear of all liens and encumbrances as a sound exercise of the Debtors’ business judgment. As set forth above, in the months preceding the Petition Date, the Debtors, with the assistance of their advisors, explored various alternatives with respect to the sale of the Intellectual Property and the Assets, as well as going concern transactions involving the Debtors’ brick and mortar business. Ultimately, the Debtors determined that a transaction centered on the Intellectual Property would maximize value for the benefit of creditors. After extensive negotiations, the Debtors determined that the Purchaser APA represents the highest and otherwise best offer for the Assets.

33. Further, the Debtors believe that a longer postpetition process is unlikely to yield a higher or better offer for the Sale Assets given the fulsome and lengthy prepetition process. The Debtors conducted an extensive and competitive prepetition marketing process, and the Debtors were also subject to significant press in the months leading up to the Petition Date

regarding the possibility of imminent chapter 11 cases and sale of their assets due to their late-November reduction in force as well as their inventory liquidation process and related brick and mortar store closings. Indeed, the Debtors fielded unsolicited inbound inquiries from eight parties potentially interested in purchasing some or all of the Debtors' assets, four of whom signed NDAs and conducted diligence. Moreover, the Purchaser APA does not prohibit the Debtors from considering alternative offers, and potentially interested parties will have until the Bid Deadline to submit alternative binding offers to the Debtors for consideration; and if received, an Auction will be conducted. Consummation of the Sale is an important piece of the Debtors' broader liquidation efforts and will inure to the benefit of all of the Debtors' stakeholders. Thus, the Debtors' determination to sell the Assets pursuant to the Purchaser APA, subject to higher or better offers, is a valid and sound exercise of the Debtors' business judgment. Therefore, the Debtors request that the Court make a finding that the proposed sale of the Assets is a proper exercise of the Debtors' business judgment and is rightly authorized.

II. The Proposed Sale is Appropriate Pursuant to Bankruptcy Rule 6004(f).

34. Bankruptcy Rule 6004(f) authorizes a debtor to sell estate property outside of the ordinary course of business via private sale or public auction. Courts have held that a debtor has broad discretion to determine the manner in which its assets are sold. *See Berg v. Scanlon (In re Alisa P'ship)*, 15 B.R. 802, 802 (Bankr. D. Del. 1981); *In re Bakalis*, 220 B.R. 525, 531 (Bankr. E.D.N.Y. 1998) (noting that a trustee has ample authority to conduct a sale of estate property through private sale). As set forth above, the Debtors have determined that a sale of the Assets on the timeline requested herein is essential to maximizing the value of their estates. The delay associated with a lengthier process would require the Debtors' estates to incur additional administrative costs—costs that are unlikely to result in any incremental benefit to the Debtors' estates in light of the Debtors' extensive and competitive prepetition marketing efforts.

Accordingly, the Debtors submit that a sale of the Assets to the Purchaser or Overbid Purchaser on the timeline requested herein is appropriate under the circumstances.

III. The Sale Should Be Approved “Free and Clear” Under Section 363(f).

35. Section 363(f) of the Bankruptcy Code permits a debtor to sell property free and clear of another party’s interest in the property if: (a) applicable non-bankruptcy law permits such a free and clear sale; (b) the holder of the interest consents; (c) the interest is a lien and the sale price of the property exceeds the value of all liens on the property; (d) the interest is the subject of a bona fide dispute; or (e) the holder of the interest could be compelled in a legal or equitable proceeding to accept a monetary satisfaction of its interest. *See* 11 U.S.C. § 363(f).

36. Section 363(f) is drafted in the disjunctive. Thus, satisfaction of any one of the requirements enumerated therein will suffice to warrant the Debtors’ sale of the Assets free and clear of all interests (*i.e.*, all liens, claims, rights, interests, charges, or encumbrances), except with respect to any interests that may be assumed liabilities under the applicable purchase agreement. *See In re Kellstrom Indus., Inc.*, 282 B.R. 787, 793 (Bankr. D. Del. 2002) (“[I]f any of the five conditions are met, the debtor has the authority to conduct the sale free and clear of all liens.”).

37. The Debtors submit that any interest related to the Assets that will not be an assumed liability (a) satisfies or will satisfy at least one of the five conditions of section 363(f) of the Bankruptcy Code and (b) will be adequately protected by attaching to the net proceeds of the Sale, subject to any claims and defenses the Debtors may possess with respect thereto. Put simply, the Purchaser would not agree to the Sale if it were unable to purchase the Assets free and clear of such interests. The Debtors accordingly request authority to convey the Assets to the Purchaser, free and clear of all liens, claims, rights, interests, charges, and encumbrances other than any permitted encumbrances or assumed obligations expressly provided for in the

Purchaser APA, with any such liens, claims, rights, interests, charges, and encumbrances to attach to the proceeds of the Sale.

IV. The Purchaser or Successful Bidder is a Good-Faith Purchaser and is Entitled to the Full Protection of 363(m) of the Bankruptcy Code.

38. The Debtors request that the Court find the Purchaser or an Overbid Purchaser arising from the Auction, if any, is entitled to the benefits and protections provided by section 363(m) of the Bankruptcy Code in connection with the sale of the Assets.

39. Section 363(m) of the Bankruptcy Code provides that “[t]he reversal or modification on appeal of an authorization under subsection (b) or (c) of this section of a sale or lease of property does not affect the validity of a sale or lease under such authorization to an entity that purchased or leased such property in good faith.” In the absence of a definition of “good faith” in the Bankruptcy Code and the Bankruptcy Rules, Courts determining whether a buyer was a “good faith purchaser” have “turned to traditional equitable principles, holding that the phrase encompasses one who purchases in ‘good faith’ and for ‘value’” and have looked to the “integrity of his conduct in the course of the sale proceedings.” *In re Abbotts Dairies of Pennsylvania, Inc.*, 788 F. 2d 143, 147 (3d Cir. 1986) (“Typically, the misconduct that would destroy a purchaser’s good-faith status at a judicial sale involves fraud, collusion between the purchaser and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders.”). As the Third Circuit noted, section 363(m) “reflects the salutary policy . . . to give finality to those orders and judgments upon which third parties rely.” *Id.* at 147.

40. The Debtors submit that the Purchaser, or any Overbid Purchaser arising from the Auction, is or would be “good faith purchasers” within the meaning of section 363(m) of the Bankruptcy Code, and the Purchaser APA, Overbid APA, or any marked versions thereof, are or would be good-faith agreements on arm’s-length terms entitled to the protections of

section 363(m) of the Bankruptcy Code. *First*, as set forth in more detail above, the consideration to be received by the Debtors pursuant to the Purchaser APA is substantial, fair, and reasonable. *Second*, the parties entered into the Purchaser APA in good faith and after extensive, arm's-length negotiations, during which all parties were represented by competent counsel, and any sale agreement with a Successful Bidder will be the culmination of a competitive Auction process in which all parties will presumably be represented by counsel and all negotiations will be conducted on an arm's-length, good-faith basis. *Third*, there is no indication of any "fraud, collusion between the purchaser and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders" or similar conduct that would cause or permit the Sale or Purchaser APA to be avoided under section 363(n) of the Bankruptcy Code. *Finally*, the Purchaser's offer was evaluated and approved by the Debtors in consultation with their advisors, and any other bids that the Debtors ultimately determine to be a successful bid will have been evaluated in a similar fashion. Accordingly, the Debtors believe that the Purchaser (or Overbid Purchaser arising from the Auction, if any) and the Purchaser APA, Overbid APA (or marked versions thereof) should be entitled to the full protections of section 363(m) of the Bankruptcy Code.

V. The Assumption and Assignment of the Executory Contracts Should Be Approved.

41. To facilitate and effectuate the sale of the Assets, by this Motion, the Debtors seek authority to assign or transfer the Executory Contracts to the Purchaser or Overbid Purchaser arising from the Auction, if any, to the extent required by such bidders.

42. Section 365 of the Bankruptcy Code authorizes a debtor to assume and assign its executory contracts and unexpired leases, subject to the approval of the court, provided that the defaults under such contracts and leases are cured and adequate assurance of future performance is provided. The Debtors' decision to assume or reject an executory contract or unexpired lease

must only satisfy the “business judgment rule” and will not be subject to review unless such decision is clearly an unreasonable exercise of such judgment. *See, e.g., Group of Institutional Investors v. Chicago, Milwaukee, St. Paul & Pacific Ry. Co.*, 318 U.S. 523 (1943) (applying Bankr. Act section 77(b), predecessor to Bankruptcy Code section 365, and rejecting test of whether executory contract was burdensome in favor of whether rejection is within debtor’s business judgment); *Sharon Steel Corp. v. Nat’l Fuel Gas Distrib. Corp.*, 872 F.2d 36, 40 (3d Cir. 1989) (describing deference to a debtor’s business judgment as “breathing space afforded [to] the debtor to consider whether to reject or assume executory contracts under the Code.”); *In re Network Access Solutions, Corp.*, 330 B.R. 67, 75 (Bankr. D. Del. 2005) (“The standard for approving the assumption of an executory contract is the business judgment rule”); *In re Exide Techs.*, 340 B.R. 222, 239 (Bankr. D. Del. 2006) (“The propriety of a decision to reject an executory contract is governed by the business judgment standard”).

43. The Executory Contracts form an integral part of the Assets and value thereof and, as such, they are essential to inducing the best offer for the Assets. In other words, it is unlikely that any purchaser would want to acquire the Assets unless the Executory Contracts were included in the transaction. Accordingly, the Debtors submit that the assumption and assignment of the Executory Contracts should be approved as an exercise of their business judgment.

44. Upon finding that a debtor has exercised its business judgment in determining that assuming an executory contract is in the best interest of its estate, courts must then evaluate whether the assumption meets the requirements of section 365(b) of the Bankruptcy Code, specifically that a debtor (a) cure, or provide adequate assurance of promptly curing, prepetition defaults in the executory contract, (b) compensate parties for pecuniary losses arising therefrom,

and (c) provide adequate assurance of future performance thereunder. This section “attempts to strike a balance between two sometimes competing interests, the right of the contracting non-debtor to get the performance it bargained for and the right of the debtor’s creditors to get the benefit of the debtor’s bargain.” *In re Luce Indus., Inc.*, 8 B.R. 100, 107 (Bankr. S.D.N.Y. 1980). The Debtors submit that the statutory requirements of section 365(b)(1)(A) of the Bankruptcy Code will be promptly satisfied because the Purchaser APA requires that the Purchaser cure all defaults associated with, or that are required to properly assume, the Executory Contracts.

45. Similarly, the Debtors submit that the third requirement of section 365(b) of the Bankruptcy Code—adequate assurance of future performance—is also satisfied given the facts and circumstances present here. “The phrase ‘adequate assurance of future performance’ adopted from section 2-609(1) of the Uniform Commercial Code, is to be given a practical, pragmatic construction based upon the facts and circumstances of each case.” *In re U.L. Radio Corp.*, 19 B.R. 537, 542 (Bankr. S.D.N.Y. 1982). Although no single solution will satisfy every case, “the required assurance will fall considerably short of an absolute guarantee of performance.” *In re Prime Motor Inns, Inc.*, 166 B.R. 993, 997 (Bankr. S.D. Fla. 1994). Among other things, adequate assurance may be given by demonstrating the assignee’s financial health and experience in managing the type of enterprise or property assigned. *See In re Bygaph, Inc.*, 56 B.R. 596, 605–06 (Bankr. S.D.N.Y. 1986) (adequate assurance of future performance present where a prospective assignee has financial resources and has expressed a willingness to devote sufficient funding to a business to give it a strong likelihood of succeeding). The Debtors believe that they can and will demonstrate that the requirements for assumption and assignment of the Executory Contracts to the Purchaser (or Overbid Purchaser arising from the Auction, if

any) will be satisfied. The Purchaser (or Overbid Purchaser arising from the Auction, if any) is (or likely will be) a sophisticated party that can and will demonstrate its financial wherewithal to perform under the Executory Contracts. The Court therefore should have a sufficient basis to authorize the Debtors to reject or assume and assign the Executory Contracts as set forth in the Purchaser APA (or Overbid APA).

VI. The Bid Protections Have a Sound Business Purpose and Should Be Approved.

46. The Debtors also seek authority to offer certain Bid Protections, including a break-up fee and expense reimbursement. Expense reimbursements, break-up fees, and other forms of bid protections are a common and, in many cases, necessary component of significant sales conducted under section 363 of the Bankruptcy Code: “Break-up fees are important tools to encourage bidding and to maximize the value of the debtor’s assets In fact, because the . . . corporation has a duty to encourage bidding, break-up fees can be *necessary* to discharge [such] duties to maximize value.” *In re Integrated Res., Inc.*, 147 B.R. at 659-60 (emphasis added). Specifically, bid protections may be necessary to convince a bidder to enter the bidding by providing some form of compensation for the risks that it is undertaking. *In re Integrated Res. Inc.*, 147 B.R. at 660-61 (bid protections can prompt bidders to commence negotiations and “ensure that a bidder does not retract its bid”); *In re Hupp Int’l Indus., Inc.*, 140 B.R. 191, 194 (Bankr. N.D. Ohio 1992) (“[W]ithout such fees, bidders would be reluctant to make an initial bid for fear that their first bid will be shopped around for a higher bid from another bidder who would capitalize on the initial bidder’s . . . due diligence.”).

47. As a result, courts routinely approve such bidding protections in connection with proposed bankruptcy sales where a proposed fee or reimbursement provides a benefit to the estate. *See In re O’Brien Env’tl. Energy, Inc.*, 181 F.3d 527 (3d Cir. 1999). The Debtors believe that the allowance of the Bid Protections is in the best interest of the Debtors’ estates and their

creditors. The Purchaser APA is subject to higher or better offers, and to the extent the Debtors receive such an offer, it will be a direct result of the Purchaser APA having established a floor for further potential bidding that may increase the consideration given in exchange for the Assets for the benefit of the Debtors' estates. Additionally, the Bid Protections are a critical component of the Purchaser's commitment. The Purchaser has expended and will continue to expend time and resources negotiating, drafting, and performing due diligence activities necessitated by the Sale. The parties negotiated the requested Bid Protections in good faith and at arm's length. As a result, by agreeing to the Bid Protections, the Debtors ensure their estates will have the benefit of the transactions with the Purchaser without sacrificing the potential for interested parties to submit overbids.

48. Further, in this case, the Breakup Fee is approximately 3 percent of the value of the Cash Portion of the Purchase Price, which does not factor in the value of liabilities the Purchaser is assuming, including, among other things, cure costs related to the Executory Contracts. In addition, the Expense Reimbursement is capped at \$500,000. As such, the proposed Bid Protections are well within the range of such protections approved by this and other courts. *See, e.g., In re Brookstone Holdings Corp.*, No. 14-10752 (BLS) (Bankr. D. Del. April 25, 2014) (approving break-up fee of \$3,700,000 and expense reimbursement up to a maximum of \$500,000 (equal to approximately 3.0 percent of the purchase price in the aggregate, exclusive of assumed liabilities)); *In re Simplicity, LLC*, No. 14-10569 (KG) (Bankr. D. Del. April 4, 2014) (approving break-up fee of \$300,000 and expense reimbursement of \$500,000 (equal to 8.0 percent of the purchase price in the aggregate)); *In re OCZ Tech. Group, Inc.*, No. 13-13126 (PJW) (Bankr. D. Del. Dec. 23, 2013) (approving termination fee of \$700,000 and expense reimbursement up to a maximum of \$500,000 (equal to approximately 3.5

percent of the purchase price in aggregate, prior to various adjustments)); *In re Oncure Holdings Inc.*, No. 13-11540 (KG) (Bankr. D. Del. July 24, 2013) (approving break-up of \$1,000,000 and expense reimbursement up to a maximum of \$2,000,000 (equal to approximately 7.0 percent of the purchase price in aggregate, prior to various adjustments)); *In re Synagro Tech.'s, Inc.*, No. 13-11041 (BLS) (Bankr. D. Del. May 13, 2013) (approving break-up fee of \$13,800,000 and expense reimbursement up to a maximum of \$4,500,000 (equal to approximately 4.0 percent of the purchase price in aggregate, prior to various adjustments)).

49. In short, the proposed Bid Protections are fair and reasonable under the circumstance because they constitute a “fair and reasonable percentage of the proposed purchase price” and are “reasonably related to the risk, effort, and expenses of the prospective purchaser.” *In re Intergrated Res., Inc.*, 147 B.R. at 662 (quoting *In re 995 Fifth Ave. Assocs., L.P.*, 96 B.R. 24, 28 (Bankr. S.D.N.Y. 1989)). Accordingly, the Court should approve the Bid Protections.

VII. The Form and Manner of Notice of the Sale Should be Approved

50. Pursuant to Bankruptcy Rule 2002(a), the Debtors are required to provide creditors with 21 days’ notice of the Sale Hearing. Pursuant to Bankruptcy Rule 2002(c), such notice must include the time and place of the Sale Hearing and the deadline for filing any objections to the relief requested herein. As noted above, within three business days of entry of the Sale Notice Order, the Debtors will serve the Sale Hearing Notice upon the following parties or their respective counsel, if known: (a) the Office of the United States Trustee for the District of Delaware; (b) the holders of the 30 largest unsecured claims against the Debtors (on a consolidated basis); (c) the administrative agent under the Debtors’ prepetition term loan; (d) counsel to the administrative agent under the Debtors’ prepetition term loan; (e) the agent under the Debtors’ proposed debtor-in-possession credit facility; (f) counsel to the agent under the Debtors’ proposed debtor-in-possession credit facility; (g) the United States Attorney’s

Office for the District of Delaware; (h) all taxing authorities having jurisdiction over any of the Assets, including the Internal Revenue Service; (i) the Environmental Protection Agency; (j) the office of the attorneys general for the states in which the Debtors operate; (k) the Securities and Exchange Commission; (l) counsel to the Purchaser; (m) all parties that have expressed a written interest in acquiring any of the Assets, (n) the Executory Contract Counterparties, (o) all parties that are known or reasonably believed by the Debtors to have asserted any lien, encumbrance, claim or other interest in the Assets; (p) all governmental agencies that are known or reasonably believed by the Debtors to be an interested party with respect to the Sale and the related transactions, and (q) any party that has requested notice pursuant to Bankruptcy Rule 2002.

51. Furthermore, Bankruptcy Rule 2002(l) permits a court to approve “notice by publication if it finds that notice by mail is impracticable or that it is desirable to supplement the notice.” Fed. R. Bankr. P. 2002(l). Here, the Debtors also propose to provide notice of the Sale Hearing through the publication of the Sale Hearing Notice (a) on the website of the Debtors’ proposed noticing and claims agent to be retained in these chapter 11 cases, Donlin Recano & Company, LLC, www.donlinrecano.com/limitedstores and (b) in *The New York Times* or *USA Today*, in each case, no later than three days after entry of the Sale Notice Order. Collectively, this notice is designed to provide notice of the Sale Hearing to as many interested parties as possible. The Debtors expect that publication of the Sale Hearing Notice, as set forth herein and subject to the Court’s approval, will result in a process where any party that has any interest in purchasing the Assets will have the opportunity to participate in the Sale Hearing. Accordingly, the Debtors submit that service of the Sale Hearing Notice as provided for herein constitutes good and adequate notice of the sale and the proceedings with respect thereto in compliance with, and satisfaction of, the applicable requirements of Bankruptcy Rule 2002.

VIII. The Assumption Procedures Are Appropriate and Should Be Approved.

52. As set forth above, the Sale contemplates the assumption and assignment of the Executory Contracts to the Purchaser, or Overbid Purchaser arising from the Auction, if any. Accordingly, the Debtors seek approval of a process by which: (a) the Debtors and Executory Contract Counterparties may reconcile cure obligations, if any, in accordance with section 365 of the Bankruptcy Code; and (b) such counterparties may object to the assumption and assignment of the Contracts and/or related cure amounts (the “Assumption Procedures”).

53. As set forth in the Sale Notice Order, the Debtors also request that any party that fails to object to the proposed assumption and assignment of any Executory Contract be deemed to consent to the assumption and assignment of the applicable Executory Contract pursuant to section 365 of the Bankruptcy Code on the terms set forth in the Sale Order, along with the cure amounts identified in the Executory Contract Notice. *See, e.g., In re Tabone, Inc.*, 175 B.R. 855, 858 (Bankr. D.N.J. 1994) (by not objecting to sale motion, creditor deemed to consent); *Pelican Homestead v. Wooten (In re Gabel)*, 61 B.R. 661, 667 (Bankr. W.D. La. 1985) (same).

54. The Debtors believe that the Assumption Procedures are fair and reasonable, provide sufficient notice to the Executory Contract Counterparties, and provide certainty to all parties in interest regarding their obligations and rights in respect thereof. Accordingly, the Debtors request the Court approve the Assumption Procedures set forth in the Sale Notice Order.

IX. The Sale of the Assets Does Not Require the Appointment of a Consumer Privacy Ombudsman.

55. Section 363(b)(1) of the Bankruptcy Code provides that a debtor may not sell or release personally identifiable information about individuals unless such sale or lease is consistent with its policies or upon appointment of a consumer privacy ombudsman pursuant to section 332 of the Bankruptcy Code. Section 101(41A) defines “personally identifiable

information” as an individual’s name, residence address, email address, telephone number, social security number or credit card number, as well as an individual’s birth date or other information that, if associated with the information described previously, would permit the identification or contacting of the individual.” 11 U.S.C. § 101(41A).

56. The Assets include customer lists and consumer data that may include personally identifiable information about individuals. Pursuant to the Purchaser APA, “[t]o the extent that the transfer and assignment of any Acquired Assets that constitute Personal Information would result in the violation, breach or default under any Data Security Requirements, such Personal Information shall be deemed excluded from the Acquired Assets, and not transferred or assigned under this Agreement, until such time, if any, as actions can be taken to prevent such violation, breach or default.” *See Purchaser APA* § 2.5. In the event that the Purchaser is not the ultimate purchaser of any Assets that contain personally identifiable information about individuals, the Debtors will endeavor to ensure that any such alternative purchase agreement from an Overbid Purchaser contains a similar provision.

57. Additionally, the Debtors submit that, under the circumstances, the transfer of personally identifiable information collected through the Debtors’ e-commerce business or their social media pages is expressly permitted by the terms of its existing privacy policy, which is publicly available on the Debtors’ website at: <http://www.thelimited.com/customer-service/privacy-security/privacy-policy.html>, and provides, in pertinent part, as follows:

There is a possibility that The Limited could merge with, acquire, or be acquired by another business entity, or be involved in a corporate reorganization or other change of control. If such an action occurs, some or all of the personal information collected about you could be shared with this entity and may also be retained by The Limited.

58. And the Debtors have no existing privacy policy that restricts the transfer of personally identifiable information collected by the Debtors through other means. Accordingly, because the transfer of “personally identifiable information” is consistent with the Debtors’ privacy policy as provided in 11 U.S.C. § 363(b)(1), the Debtors submit that there is no need for the appointment of a consumer privacy ombudsman.

X. Relief Under Bankruptcy Rules 6004(h) and 6006(d) Is Appropriate.

59. Bankruptcy Rule 6004(h) provides that an “order authorizing the use, sale, or lease of property . . . is stayed until the expiration of fourteen days after the entry of the order, unless the court orders otherwise.” Additionally, Bankruptcy Rule 6006(d) provides that an “order authorizing the trustee to assign an executory contract or unexpired lease . . . is stayed until the expiration of fourteen days after the entry of the order, unless the court orders otherwise.” The Debtors request that the Order be effective immediately upon its entry by providing that the fourteen-day stays under Bankruptcy Rules 6004(h) and 6006(d) are waived.

60. The purpose of Bankruptcy Rules 6004(h) and 6006(d) is to provide sufficient time for an objecting party to appeal before an order can be implemented. *See* Advisory Committee Notes to Fed. R. Bankr. P. 6004(h) and 6006(d). Although Bankruptcy Rules 6004(h) and 6006(d) and the Advisory Committee Notes are silent as to when a court should “order otherwise” and eliminate or reduce the fourteen-day stay period, the leading treatise on bankruptcy suggests that the fourteen-day stay should be eliminated to allow a sale or other transaction to close immediately “where there has been no objection to procedure.” 10 *Collier on Bankruptcy* ¶ 6004.11 (16th rev. ed. 2010). Furthermore, if an objection is filed and overruled, and the objecting party informs the court of its intent to appeal, the stay may be reduced to the amount of time actually necessary to file such appeal. *Id.* To maximize the certainty that the Sale will close and the Debtors will realize the benefits of the Sale, the Debtors

seek to close the Sale as soon as possible after the Sale Hearing. Accordingly, the Debtors hereby request that the Court waive the fourteen-day stay period under Bankruptcy Rules 6004(h) and 6006(d).

Notice

61. The Debtors will provide notice of this Motion to: (a) the Office of the United States Trustee for the District of Delaware; (b) the holders of the 30 largest unsecured claims against the Debtors (on a consolidated basis); (c) the Pre-Petition Agent; (d) counsel to the administrative agent under the Debtors' prepetition term loan; (e) the DIP Agent; (e) the agent under the Debtors' proposed debtor-in-possession credit facility; (f) counsel to the agent under the Debtors' proposed debtor-in-possession credit facility; (g) the United States Attorney's Office for the District of Delaware; (h) all taxing authorities having jurisdiction over any of the Assets, including the Internal Revenue Service; (i) the Environmental Protection Agency; (j) the office of the attorneys general for the states in which the Debtors operate; (k) the Securities and Exchange Commission; (l) counsel to the Purchaser; (m) all parties that have expressed a written interest in acquiring any of the Assets, (n) the Executory Contract Counterparties, (o) all parties that are known or reasonably believed by the Debtors to have asserted any lien, encumbrance, claim or other interest in the Assets; (p) all governmental agencies that are known or reasonably believed by the Debtors to be an interested party with respect to the Sale and the related transactions, and (q) any party that has requested notice pursuant to Bankruptcy Rule 2002. As this motion is seeking "first day" relief, within two business days of the hearing on this motion, the Debtors will serve copies of this motion and any order entered in respect to this motion as required by Local Rule 9013-1(m). The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

No Prior Request

62. No prior request for the relief sought in this motion has been made to this or any other court.

WHEREFORE, the Debtors respectfully request that the Court enter the Sale Notice Order, Bid Protections Order and Sale Order, granting the relief requested herein and such other relief as the Court deems appropriate under the circumstances.

Dated: January 17, 2017
Wilmington, Delaware

/s/ Domenic E. Pacitti

Domenic E. Pacitti (DE Bar No. 3989)

Michael W. Yurkewicz (DE Bar No. 4165)

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Proposed Counsel to the Debtors

EXHIBIT A

Proposed Sale Notice Order

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

In re:)	
	)	Chapter 11
LIMITED STORES COMPANY, LLC, <i>et al.</i> , ¹	)	Case No. 17-10124 (___)
)	
Debtors.	)	(Joint Administration Requested)
)	

**ORDER (A) APPROVING FORM AND MANNER OF NOTICES,
(B) SCHEDULING A BID PROTECTIONS HEARING, AN AUCTION, A SALE
HEARING, AND ESTABLISHING DATES AND DEADLINES RELATED THERETO,
(C) APPROVING PROCEDURES FOR THE ASSUMPTION AND ASSIGNMENT
OF EXECUTORY CONTRACTS, AND (D) GRANTING RELATED RELIEF**

Upon the motion (the "Motion")² of the above captioned debtors and debtors in possession (the "Debtors") for the entry of an order (this "Sale Notice Order"): (a) approving the Debtors' proposed form of notice of the Sale Hearing to approve the proposed Sale of the Assets free and clear of liens, claims, encumbrances, and other interests, (b) scheduling the Bid Protections Hearing, an Auction, the Sale Hearing, and certain dates and deadlines related thereto, (c) approving procedures for the assumption and assignment of Executory Contracts, and (d) granting related relief, all as more fully set forth in the Motion; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: Limited Stores Company, LLC (6463); Limited Stores, LLC (0165); and The Limited Stores GC, LLC (6094). The location of the Debtors' service address is: 7775 Walton Parkway, Suite 400, New Albany, Ohio 43054.

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

Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion, the Savini Declaration and First Day Declaration, and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor:

THE COURT HEREBY FINDS THAT:

A. The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. This Court has jurisdiction over the Motion pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper in this district and in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

C. The Debtors have articulated good and sufficient reasons for this Court to: (i) schedule the Bid Protections Hearing, Auction and Sale Hearing and approve the manner of notice of the Bid Protections Hearing, Auction and Sale Hearing; (ii) approve the procedures for the assumption and assignment of the Contracts, including notice of proposed cure amounts; and (iii) grant related relief.

D. **Assumption and Assignment Procedures.** The Motion, this Order, and the assumption and assignment procedures set forth herein are reasonably calculated to provide counterparties to any Executory Contracts to be assumed by the Debtors and assigned to the Successful Bidder with proper notice of the intended assumption and assignment of their Contracts, the procedures in connection therewith, and any cure amounts relating thereto.

E. **Sale Notice.** The sale notice, substantially in the form attached hereto as **Exhibit 1** (the “Sale Notice”), is reasonably calculated to provide interested parties with timely and proper notice of the proposed sale, including, without limitation: (i) the deadline to file objections to the Bid Protections and entry of the Bid Protections Order, and the date, time, and place of the Bid Protections Hearing; (ii) the date, time, and place of the Auction (if one is held); (iii) the deadline for filing overbids and for filing objections to the Sale and entry of the Sale Order, and the date, time, and place of the Sale Hearing; (iv) reasonably specific identification of the Assets to be sold; (v) instructions for promptly obtaining copies of the Purchaser APA; (vi) a description of the Sale as being free and clear of liens, claims, encumbrances, and other interests (except as set forth in the Purchaser APA), with all such liens, claims, encumbrances, and other interests attaching with the same validity and priority to the Sale proceeds; (vii) notice of the proposed assumption and assignment of Executory Contracts to the Purchaser pursuant to the Purchaser APA (or to an Overbid Purchaser arising from the Auction, if any), and no other or further notice of the sale shall be required.

IT IS HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.

2. All objections to the relief provided herein that have not been withdrawn, waived, or settled, and all reservations of rights included therein, hereby are overruled and denied on the merits.

I. Important Dates and Deadlines.

3. The Bid Protections Hearing shall be held before this Court on _____, 2017, at _____ .m., prevailing Eastern Time, or at such other date as counsel and interested parties may be heard.

4. Objections, if any, to the approval of the Bid Protections and related relief requested in the Motion must: (a) be in writing; (b) conform to the applicable provisions of the Bankruptcy Rules and the Local Rules; (c) state with particularity the legal and factual basis for the objection and the specific grounds therefor; and (d) be filed with the clerk of the Bankruptcy Court for the District of Delaware, Third Floor, 824 Market Street, Wilmington, Delaware 19801 and served on (i) the proposed counsel the Debtors, Klehr Harrison Harvey Branzburg LLP 919 North Market Street, Suite 1000, Wilmington, Delaware 19801, Attn: Domenic E. Pacitti and Michael W. Yurkewicz, (ii) counsel to the Purchaser, Kirkland & Ellis LLP, Attn.: James Stempel, 300 North LaSalle Street, Chicago, IL 60654, (iii) counsel to the agent under the Debtors' proposed debtor-in-possession credit facility, Klee, Tuchin, Bogdanoff & Stern LLP, 1999 Avenue of the Stars, 39th Floor, Los Angeles, CA 90067, Attn: Michael L. Tuchin and David A. Fidler, and (iv) the Office of the United States Trustee, Attn.: Timothy J. Fox, Esq., 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, in each case, on or before 4:00 p.m. (prevailing Eastern Time) on _____, 2017 (the "Sale Objection Deadline").

5. The Sale Hearing shall be held before this Court on _____, 2017, at _____ .m., prevailing Eastern Time, or at such other date as counsel and interested parties may be heard.

6. Objections, if any, to the sale of the Assets and the transactions contemplated by the Purchaser APA, Overbid APA (if any) or the relief requested in the Motion must: (a) be in writing; (b) conform to the applicable provisions of the Bankruptcy Rules and the Local Rules; (c) state with particularity the legal and factual basis for the objection and the specific grounds therefor; and (d) be filed with the clerk of the Bankruptcy Court for the District of Delaware, Third Floor, 824 Market Street, Wilmington, Delaware 19801 and served on (i) the proposed counsel the Debtors, Klehr Harrison Harvey Branzburg LLP 919 North Market Street, Suite 1000, Wilmington, Delaware 19801, Attn: Domenic E. Pacitti and Michael W. Yurkewicz, (ii) counsel to the Purchaser, Kirkland & Ellis LLP, Attn.: James Stempel, 300 North LaSalle Street, Chicago, IL 60654, (iii) counsel to the agent under the Debtors' proposed debtor-in-possession credit facility, Klee, Tuchin, Bogdanoff & Stern LLP, 1999 Avenue of the Stars, 39th Floor, Los Angeles, CA 90067, Attn: Michael L. Tuchin and David A. Fidler, and (iv) the Office of the United States Trustee, Attn.: Timothy J. Fox, Esq., 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, in each case, on or before 4:00 p.m. (prevailing Eastern Time) on [____], 2017 (the "Sale Objection Deadline").

7. A party's failure to timely file or make an objection in accordance with this Sale Notice Order shall forever bar the assertion of any objection to the Motion, entry of the Sale Order, and/or consummation of the Sale pursuant to the Purchaser APA, including the assumption and assignment of the Executory Contracts pursuant to the Purchaser APA, and shall be deemed to constitute any such party's consent to entry of the Sale Order and consummation of

the Sale and all transactions related thereto, including, without limitation, such assumption and assignment.

II. Sale Hearing Notice.

8. The Sale Notice is hereby approved. On or before three business days after entry of this Sale Notice Order, the Debtors will cause the notice, substantially in the form attached hereto as **Exhibit 1** (the “Sale Hearing Notice”), to be sent to each of the following entities or their respective counsel, if known: (a) the Office of the United States Trustee for the District of Delaware; (b) the holders of the 30 largest unsecured claims against the Debtors (on a consolidated basis); (c) the administrative agent under the Debtors’ prepetition term loan; (d) counsel to the administrative agent under the Debtors’ prepetition term loan; (e) the agent under the Debtors’ proposed debtor-in-possession credit facility; (f) counsel to the agent under the Debtors’ proposed debtor-in-possession credit facility; (g) the United States Attorney’s Office for the District of Delaware; (h) all taxing authorities having jurisdiction over any of the Assets, including the Internal Revenue Service; (i) the Environmental Protection Agency; (j) the office of the attorneys general for the states in which the Debtors operate; (k) the Securities and Exchange Commission; (l) counsel to the Purchaser; (m) all parties that have expressed a written interest in acquiring any of the Assets, (n) the Executory Contract Counterparties, (o) all parties that are known or reasonably believed by the Debtors to have asserted any lien, encumbrance, claim or other interest in the Assets; (p) all governmental agencies that are known or reasonably believed by the Debtors to be an interested party with respect to the Sale and the related transactions, and (q) any party that has requested notice pursuant to Bankruptcy Rule 2002.

9. The Debtors are authorized to provide notice of the Sale Hearing through publication of the Sale Hearing Notice (a) on the website of the Debtors’ proposed noticing and claims agent to be retained in these chapter 11 cases, Donlin Recano & Company, LLC,

www.donlinrecano.com/limitedstores and (b) in *The New York Times* or *USA Today*, in each case, on or before three business days after entry of this Sale Notice Order in accordance with Bankruptcy Rule 2002(I).

III. Overbids and Auction.

10. Any competing binding offer (each, a “Bid”) to purchase the Assets must: (a) be in writing and (b) be received by proposed counsel to the Debtors, Klehr Harrison Harvey Branzburg LLP, 919 North Market Street, Suite 1000, Wilmington, Delaware 19801, Attn: Domenic E. Pacitti and Michael W. Yurkewicz, on or before 4:00 p.m. (prevailing Eastern Time) on [____], 2017 (the “Bid Deadline”). The Debtors, in turn, shall provide copies of all Bid materials to the agent under the Debtors’ proposed debtor-in-possession credit facility.

11. If the Debtors receive one or more Bids for the Assets that are higher or better than the Purchaser APA (each, an “Overbid”), and subject to any restrictions on such Overbids that may be imposed by the Bid Protections Order, the Debtors shall hold an Auction on _____, 2017, at the offices of the proposed counsel to the Debtors: Klehr Harrison Harvey Branzburg LLP 919 North Market Street, Suite 1000, Wilmington, Delaware 19801, or on such later time on such day or other place as the Debtors shall notify the Purchaser, counsel to the agent under the Debtors’ proposed debtor-in-possession credit facility, and all parties that submitted Overbids. Pursuant to Local Rule 6004-1(c)(ii): (a) each bidder participating at the Auction shall be required to confirm that it has not engaged in any collusion with respect to the bidding or the Sale; (b) the Auction shall be conducted openly; and (c) the Auction shall be transcribed or videotaped.

12. If the Debtors do not receive any Overbids: (a) the Debtors will not hold the Auction; (b) the Purchaser will be deemed the successful bidder for the Assets; and (c) the Debtors shall be authorized to seek approval of the Purchaser APA at the Sale Hearing.

IV. Assumption and Assignment Procedures.

13. The following procedures regarding the assumption and assignment of the Executory Contracts in connection with the Sale are hereby approved to the extent set forth herein, and shall govern the assumption and assignment of all Executory Contracts proposed to be assumed by the Debtors pursuant to Section 365(b) of the Bankruptcy Code and assigned to the Purchaser (or an Overbid Purchaser following the Auction, if any) pursuant to section 365(f) of the Bankruptcy Code under the Purchaser APA or other applicable asset purchase agreement.

14. **Notices for Contracts.** As soon as practicable, the Debtors shall serve on all non-Debtor counterparties to any Executory Contract (the “Contract Notice Parties”) that may be assumed by the Debtors and assigned to the Purchaser or the Successful Bidder a contract notice (a “Contract Notice”), substantially in the form attached hereto as **Exhibit 2**, that identifies, to the extent applicable: (i) the Executory Contract that may be assumed and assigned; (ii) the name of the non-Debtor counterparty to such Executory Contract; (iii) the Debtors’ asserted cure amount for such Contract if it becomes assumed and assigned; (iv) the deadlines by which any such Executory Contract Counterparty must file an objection (each, a “Contract Objection”) to the proposed cure amount, assumption and assignment, or adequate assurance; (v) identifying the Purchaser; and (vi) providing Executory Contract counterparties with the Purchaser’s assurance of future performance; *provided, that* the presence of an Executory Contract on the Contract Notice or Assumption Notice (defined below) shall not prevent the Debtors from subsequently withdrawing such request for assumption or rejecting such Executory Contract at any time before such Executory Contract is actually assumed and assigned pursuant to an Order of the Court. For the avoidance of doubt, such Contract Notice shall be without prejudice to the Purchaser’s rights under Section 2.2 of the Purchaser APA to subsequently exclude such items from assumption and assignment. To the extent the Debtors subsequently identify prior to the Sale

Hearing any additional Executory Contracts to be assumed by the Debtors and assigned to the Successful Bidder, the Debtors shall serve on any counterparty to such Executory Contract the Contract Notice and/or Assumption Notice, as applicable, along with the Successful Bidder's assurance of future performance, as soon as practicable. Such counterparty shall have until (a) seven days after service of the Contract Notice and/or Assumption Notice, as applicable or (b) the date and time of the commencement of the Sale Hearing, whichever is earlier, to file an objection to the proposed cure amount or assumption and assignment of its Contract in accordance with the procedures set forth herein.

15. **Objections to Assumption of Contracts.** Any non-Debtor counterparty to an Executory Contract who objects to the cure or assignment of their Executory Contracts (the "Objecting Party") shall file Contract Objections pursuant to the following procedures:

- **Contract Objection.** All Contract Objections to the cure amounts listed in the Contract Notice, the Debtors' ability to assign an Executory Contract, or adequate assurance of future performance solely by the Purchaser shall be filed with the Court by [____] p.m. (prevailing Eastern Time) on the later of (a) [____], 2017, or (b): (i) seven days after service of the Contract Notice or any amendment or supplement to the Contract Notice or (ii) the date and time of the commencement of the Sale Hearing, whichever is earlier.
- **No Objection.** If no Objection is received in accordance with the deadlines set forth above, such counterparty: (i) shall be deemed to have consented to the cure amounts and assumption and assignment of its Executory Contract to the Successful Bidder; (ii) shall be forever barred, estopped, and enjoined from asserting any additional cure amount under the Executory Contracts; and (iii) shall be forever barred from objecting to the assignment of the Executory Contracts to the Successful Bidder or the adequacy of the Successful Bidder's assurance of future performance.
- **Resolution Period.** If any timely filed Contract Objection cannot be resolved by the Successful Bidder and the Objecting Party, the Court shall resolve such Contract Objection prior to assumption and assignment of such designated Executory Contract, and upon entry of an order by the Court resolving such Contract Objection, the assignment, if approved by the Court, shall be deemed effective as of the date such Objecting Party receives the Assumption Notice. To the extent that any Contract Objection cannot be resolved by the parties, such Executory Contract shall be assumed and assigned only upon satisfactory

resolution of the Contract Objection, to be determined in the Stalking Horse Bidder's or other Successful Bidder's reasonable discretion, and until such time as the Contract Objection can be resolved, the Executory Contract shall be conditionally assumed and assigned pending a resolution of the Contract Objection after notice and a hearing.

16. **Form of Objections.** Contract Objections must: (a) be in writing; (b) state with specificity the nature of such objection and alleged cure amount, including applicable and appropriate documentation in support of such alleged cure amount; and (c) comply with the Bankruptcy Rules and the Local Rules.

V. General Provisions.

17. There is no requirement that the U.S. Trustee appoint a consumer privacy ombudsman pursuant to sections 363(b)(1) and 332(a) of the Bankruptcy Code because the Debtors' existing privacy policies do not prohibit the transfer of personally identifiable information under the circumstances of the Sale.

18. The Bid Protections Hearing and the Sale Hearing may be adjourned, from time to time, without further notice to creditors or other parties in interest other than by announcement of said adjournment before this Court on the date scheduled for such hearings or in the hearing agenda for such hearings.

19. The stays provided for in Bankruptcy Rules 6004(h) and 6006(d) are hereby waived and this Sale Notice Order shall be effective immediately upon its entry.

20. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

21. This Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Dated: _____, 2017
Wilmington, Delaware

UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Proposed Form of Sale Notice

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

In re:)	
	)	Chapter 11
LIMITED STORES COMPANY, LLC, <i>et al.</i> , ¹	)	Case No. 17-10124 (___)
)	
Debtors.	)	(Joint Administration Requested)
)	

NOTICE OF HEARING TO (A) APPROVE THE ASSET PURCHASE AGREEMENT BETWEEN THE DEBTORS AND THE PURCHASER, (B) AUTHORIZE THE SALE OF CERTAIN OF THE DEBTORS’ ASSETS FREE AND CLEAR OF LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS, AND (C) AUTHORIZE THE ASSUMPTION AND ASSIGNMENT OF CONTRACTS

PLEASE TAKE NOTICE THAT on [____], 2017, the above-captioned debtors and debtors in possession (collectively, the “Debtors”) filed a motion at Docket No. [___] (the “Sale Motion”) with the United States Bankruptcy Court for the District of Delaware (the “Court”) seeking entry of an order, substantially in the form attached as **Exhibit C** to the Sale Motion (the “Sale Order”): (a) approving that certain asset purchase agreement dated January [●], 2017, by and among Debtors Limited Stores, LLC and The Limited Stores GC, LLC (the “Selling Debtors”) and Limited IP Acquisition LLC (the “Purchaser”), annexed as **Exhibit 1** to **Exhibit C** to the Sale Motion (the “Purchaser APA”), (b) authorizing and approving the Sale of certain of the Debtors’ intellectual property (the “Intellectual Property”) and related assets (collectively, the “Assets”) free and clear of liens, claims, encumbrances, and other interests to the extent set forth in the Purchaser APA, (c) authorizing the assumption and assignment of certain executory contracts (the “Executory Contracts”) as set forth in the Purchaser APA, and (d) granting related relief. Please note that all capitalized terms used but not defined herein shall have the meanings set forth in the Sale Motion.

Bid Protections Hearing and Objections to Bid Protections

PLEASE TAKE FURTHER NOTICE THAT the Debtors will seek approval solely of the Bid Protections portion of the relief requested in the Sale Motion at a hearing scheduled to commence on [●], 2017, at [●], prevailing Eastern Time, (the “Bid Protections Hearing”) before the Honorable [●] in the United States Bankruptcy Court for the District of Delaware, located at 824 Market Street, [●] Floor, Courtroom No. [●], Wilmington, Delaware 19801.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: Limited Stores Company, LLC (6463); Limited Stores, LLC (0165); and The Limited Stores GC, LLC (6094). The location of the Debtors’ service address is: 7775 Walton Parkway, Suite 400, New Albany, Ohio 43054.

PLEASE TAKE FURTHER NOTICE THAT, at the Bid Protections Hearing, the Debtors will seek approval of the proposed breakup fee and expenses reimbursement under the Purchaser APA.

PLEASE TAKE FURTHER NOTICE THAT objections to the Bid Protections (only) , if any, **must**: (a) be in writing; (b) conform to the applicable provisions of the Bankruptcy Rules and the Local Rules; (c) state with particularity the legal and factual basis for the objection and the specific grounds therefor; and (d) be filed with the Court and served on the following parties (the “Notice Parties”), in each case on or before [____], 2017 (the “Bid Protections Objection Deadline”):

Counsel to the Debtors	Counsel to the Purchaser
Klehr Harrison Harvey Branzburg LLP 919 North Market Street, Suite 1000 Wilmington, Delaware 19801 Attn.: Domenic E. Pacitti, Michael W. Yurkewicz	Kirkland & Ellis LLP 300 North LaSalle Street Chicago, IL 60654 Attn.: James Stempel
Counsel to the Proposed DIP Agent	
Klee, Tuchin, Bogdanoff & Stern LLP 1999 Avenue of the Stars, 39th Floor Los Angeles, CA 90067 Attn: Michael L. Tuchin and David A. Fidler	
Office of the United States Trustee	
Office of the United States Trustee 844 King Street Suite 2207 Lockbox 35 Wilmington, Delaware 19801 Attn.: Timothy J. Fox, Esq.	

Sale Hearing and Objections to Sale

PLEASE TAKE FURTHER NOTICE THAT the Debtors will seek approval of the Sale Motion and approval of the assumption and assignment of the Executory Contracts at a hearing scheduled to commence on [●], 2017, at [●], **prevailing Eastern Time**, (the “Sale Hearing”) before the Honorable [●] in the United States Bankruptcy Court for the District of Delaware, located at 824 Market Street, [●] Floor, Courtroom No. [●], Wilmington, Delaware 19801.

PLEASE TAKE FURTHER NOTICE THAT, at the Sale Hearing, the Debtors will seek approval of the Purchaser APA or the Successful Bidder’s asset purchase agreement, pursuant to which the Debtors propose to sell the Assets to the Purchaser, and approval of the assumption and assignment of the Executory Contracts to the Purchaser.

PLEASE TAKE FURTHER NOTICE THAT the purchase price for the sale contemplates: (a) \$25.75 million in cash; and (b) the assumption of the Debtors’ obligations under the Executory Contracts.

PLEASE TAKE FURTHER NOTICE THAT objections to the Sale of the Assets or the assumption and assignment of the Executory Contracts, if any, **must**: (a) be in writing; (b) conform to the applicable provisions of the Bankruptcy Rules and the Local Rules; (c) state with particularity the legal and factual basis for the objection and the specific grounds therefor; and (d) be filed with the Court and served on the following parties (the “Notice Parties”), in each case on or before [____], 2017 (the “Sale Objection Deadline”):

Counsel to the Debtors	Counsel to the Purchaser
Klehr Harrison Harvey Branzburg LLP 919 North Market Street, Suite 1000 Wilmington, Delaware 19801 Attn.: Domenic E. Pacitti, Michael W. Yurkewicz	Kirkland & Ellis LLP 300 North LaSalle Street Chicago, IL 60654 Attn.: James Stempel
Counsel to the Proposed DIP Agent	Office of the United States Trustee
Klee, Tuchin, Bogdanoff & Stern LLP 1999 Avenue of the Stars, 39th Floor Los Angeles, CA 90067 Attn: Michael L. Tuchin and David A. Fidler	Office of the United States Trustee 844 King Street Suite 2207 Lockbox 35 Wilmington, Delaware 19801 Attn.: Timothy J. Fox, Esq.

Competing Bids and Auction

PLEASE TAKE FURTHER NOTICE THAT any competing binding offer to purchase the Assets **must**: (a) be in writing and (b) be received by Counsel to the Debtors at the above listed address on or before [____], 2017 (the “Bid Deadline”).

PLEASE TAKE FURTHER NOTICE THAT the Debtors will hold the Auction if, and only if, the Debtors receive one or more Overbids, subject to any restrictions on such Overbids that may be imposed by the Bid Protections Order, on or before the Bid Deadline. Among other things, the Debtors’ proposed Bid Protections Order, if entered, would require that any Overbid: (a) be a bulk bid to purchase all or substantially all of the Assets; (b) clearly set forth the purchase price to be paid, including and identifying separately any cash and non-cash components (the “Bid Price”); (c) be accompanied by a cash deposit in the amount equal to 5% of the Bid Price to be held in an escrow account to be identified and established by the Debtors; (d) provide consideration equal to or in excess of the sum of (i) cash in an amount equal to \$25,750,000, (ii) cash equal to the Bid Protections (i.e., \$1,272,500), and (iii) \$250,000; and (e) must otherwise be higher or better than the Purchaser APA, as determined in the Debtors’ business judgment.

PLEASE TAKE FURTHER NOTICE THAT the Debtors will hold the Auction on [•], 2017, at [•], **prevailing Eastern Time**, if one is needed, at the offices of proposed counsel to the Debtors: Klehr Harrison Harvey Branzburg LLP 919 North Market Street, Suite 1000, Wilmington, Delaware 19801 or on such later time on such day or other place as the Debtors shall notify all parties that submitted Qualified Bids (the “Qualified Bidders”). If the Debtors do not receive any Overbids, the Debtors will not hold the Auction and the Purchaser will be deemed the successful bidder.

PLEASE TAKE FURTHER NOTICE THAT YOU ARE RECEIVING THIS SALE HEARING NOTICE BECAUSE YOU ARE A CREDITOR OR CONTRACT

COUNTERPARTY OF THE DEBTORS, OR OTHERWISE HAVE BEEN IDENTIFIED BY THE DEBTORS AS AN ENTITY WITH A PARTICULARIZED INTEREST IN THE SALE HEARING, AND THAT ANY PARTY OR ENTITY WHO FAILS TO TIMELY MAKE AN OBJECTION TO THE SALE ON OR BEFORE THE SALE OBJECTION DEADLINE IN ACCORDANCE WITH THE SALE MOTION SHALL BE FOREVER BARRED FROM ASSERTING ANY OBJECTION TO THE SALE, INCLUDING WITH RESPECT TO THE TRANSFER OF THE DEBTORS' ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS (INCLUDING ANY SUCCESSOR OR TRANSFEREE LIABILITY), EXCEPT AS SET FORTH IN THE PURCHASER APA.

Additional Information

PLEASE TAKE FURTHER NOTICE THAT that copies of the Sale Motion, and any exhibits thereto, including the Purchaser APA and the proposed Sale Order, are available: (a) upon request to Donlin Recano & Company, LLC (the proposed noticing and claims agent to be retained in these chapter 11 cases) by calling toll free (888) 629-2235; (b) at the Debtors' expense by visiting the website maintained in these chapter 11 cases at www.donlinrecano.com/limitedstores; or (c) for a fee via PACER by visiting <http://www.deb.uscourts.gov>.

Dated: [____], 2017
Wilmington, Delaware

Domenic E. Pacitti (DE Bar No. 3989)
Michael W. Yurkewicz (DE Bar No. 4165)
KLEHR HARRISON HARVEY BRANZBURG LLP
919 North Market Street, Suite 1000
Wilmington, Delaware 19801
Telephone: (302) 426-1189
Facsimile: (302) 426-9193
Email: dpacitti@klehr.com
myurkewicz@klehr.com

Proposed Counsel to the Debtors

Exhibit 2

Proposed Form of Contract Notice

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

In re:)	
	)	Chapter 11
LIMITED STORES COMPANY, LLC, <i>et al.</i> , ⁸	)	Case No. 17-10124 (___)
)	
Debtors.	)	(Joint Administration Requested)
)	

**NOTICE OF PROPOSED ASSUMPTION AND ASSIGNMENT OF CERTAIN
EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

PLEASE TAKE NOTICE THAT on [____], 2017, the above-captioned debtors and debtors in possession (collectively, the “Debtors”) filed the attached motion (the “Sale Motion”) with the United States Bankruptcy Court for the District of Delaware (the “Court”) seeking entry of an order, substantially in the form attached as **Exhibit C** to the Sale Motion (the “Sale Order”): (a) approving that certain asset purchase agreement dated January [●], 2017, by and among Debtors Limited Stores, LLC and The Limited Stores GC, LLC (the “Selling Debtors”) and Limited IP Acquisition LLC (the “Purchaser”), annexed as **Exhibit 1** to **Exhibit C** to the Sale Motion (the “Purchaser APA”), (b) authorizing and approving the Sale of certain of the Debtors’ intellectual property (the “Intellectual Property”) and related assets (collectively, the “Assets”) free and clear of liens, claims, encumbrances, and other interests to the extent set forth in the Purchaser APA, (c) authorizing the assumption and assignment of certain executory contracts (the “Executory Contracts”) as set forth in the Purchaser APA, and (d) granting related relief. Please note that all capitalized terms used but not defined herein shall have the meanings set forth in the Sale Motion.

PLEASE TAKE FURTHER NOTICE that on [____], 2017, the Court entered an order [Docket No. [___]] (the “Sale Notice Order”) granting certain of the relief sought in the Sale Motion, including, among other things: (a) approving the form and manner notices (b) scheduling an auction, a sale hearing, and establishing dates and deadline related thereto, and (c) approving procedures for the assumption and assignment of the Executory Contracts (the “Assumption Procedures”).⁹

PLEASE TAKE FURTHER NOTICE the Debtors will seek approval of the Sale Motion and approval of the assumption and assignment of the Executory Contracts at a hearing

⁸ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: Limited Stores Company, LLC (6463); Limited Stores, LLC (0165); and The Limited Stores GC, LLC (6094). The location of the Debtors’ service address is: 7775 Walton Parkway, Suite 400, New Albany, Ohio 43054.

⁹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Sale Motion.

scheduled to commence on [●], 2017, at [●], prevailing Eastern Time, (the “Sale Hearing”) before the Honorable [●] in the United States Bankruptcy Court for the District of Delaware, located at 824 Market Street, [●] Floor, Courtroom No. [●], Wilmington, Delaware 19801.

PLEASE TAKE FURTHER NOTICE that upon the closing of the Sale, the Debtors intend to assume and assign to the Purchaser, or any other Successful Bidder arising from the Auction (as defined in the Sale Motion), the Executory Contracts and any modifications thereto (collectively, the “Assigned Contracts”) set forth on **Exhibit A** attached hereto, subject to (a) the Purchaser’s right to designate additional Executory Contracts as Assigned Contracts or remove certain Executory Contracts from the list of Assigned Contracts pursuant to Section 2.2 of the Purchaser APA or (b) any similar right of any other Successful Bidder arising from the Auction. In addition, the cure amounts, if any, necessary for the assumption and assignment of the Assigned Contracts (the “Cure Amounts”) are set forth on **Exhibit A** attached hereto.

PLEASE TAKE FURTHER NOTICE that the Debtors have evaluated the financial wherewithal of the Purchaser (*e.g.*, financial credibility, willingness, and ability of the interested party to perform under the Executory Contracts) and believe that the Purchaser’s financial health, agreement to pay cure amounts related to the Assigned Contracts, and commitment to pay obligations as they come due satisfies the requirements of adequate assurance of future performance under section 365(f)(2)(B) of the Bankruptcy Code.

PLEASE TAKE FURTHER NOTICE that, after the Bid Deadline has occurred, the Debtors will separately identify the Contracts designated for assumption and assignment by each Qualified Bidder and furnish adequate assurance information demonstrating the ability of each Qualified Bidder (other than the Purchaser) to comply with the requirements of adequate assurance of future performance under section 365(f)(2)(B) of the Bankruptcy Code, including, without limitation, each Qualified Bidder’s financial wherewithal and willingness to perform under the Assigned Contracts.

PARTIES LISTED ON EXHIBIT A ATTACHED HERETO ARE RECEIVING THIS NOTICE BECAUSE THE PURCHASER HAS IDENTIFIED THEM AS A COUNTERPARTY TO AN ASSIGNED CONTRACT. Under the terms of the Assumption Procedures, the Purchaser or Successful Bidder may modify the list of Assigned Contracts in accordance with the Purchaser APA or the Successful Bidder’s asset purchase agreement, as applicable. Any counterparty added to the list of Assigned Contracts by such a modification will receive notice thereof (the “Assumption Notice”) and will have an opportunity to object to the proposed cure amount or assumption and assignment of the Assigned Contract, if applicable.

Obtaining Additional Information

Additional copies of the Sale Notice Order, and any other related documents are available: (a) upon request to Donlin Recano & Company, LLC (the proposed noticing and claims agent to be retained in these chapter 11 cases) by calling toll free (888) 629-2235; (b) at the Debtors’ expense by visiting the website maintained in these chapter 11 cases at www.donlinrecano.com/limitedstores; or (c) for a fee via PACER by visiting <http://www.deb.uscourts.gov>.

Filing Assumption and Assignment Objections

Pursuant to the Assumption Procedures, objections to the proposed assumption and assignment of an Assigned Contract, including any objection relating to the Cure Amount (collectively, a “Contract Objection”), must: (a) be in writing; (b) state with specificity the nature of such objection and alleged Cure Amount, including applicable and appropriate documentation in support of such alleged Cure Amount; (c) comply with the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules for the District of Delaware; and (d) be filed with the Court by [____] p.m. (prevailing Eastern Time) on the later of (i) [____], 2017, or (ii): the earlier of (a) seven days after service of the Contract Notice or any amendment or supplement to the Contract Notice and (b) the date and time of the commencement of the Sale Hearing.

Any timely filed Contract Objections made prior to the Sale Hearing will be considered at the Sale Hearing, or another date agreed to by the parties, and must be served on the following parties:

Counsel to the Debtors	Counsel to the Purchaser
Klehr Harrison Harvey Branzburg LLP 919 North Market Street, Suite 1000 Wilmington, Delaware 19801 Attn.: Domenic E. Pacitti, Michael W. Yurkewicz	Kirkland & Ellis LLP 300 North LaSalle Street Chicago, IL 60654 Attn.: James Stempel
Counsel to the Proposed DIP Agent	Office of the United States Trustee
Klee, Tuchin, Bogdanoff & Stern LLP 1999 Avenue of the Stars, 39th Floor Los Angeles, CA 90067 Attn: Michael L. Tuchin and David A. Fidler	Office of the United States Trustee 844 King Street Suite 2207 Lockbox 35 Wilmington, Delaware 19801 Attn.: Timothy J. Fox, Esq.

If any timely filed Contract Objection cannot be resolved by the Purchaser or Successful Bidder arising from the Auction, if any, and the objecting party, the Court shall resolve such Contract Objection prior to assumption and assignment of such designated Contract, and upon entry of an order by the Court resolving such Contract Objection, the assignment, if approved by the Court, shall be deemed effective as of the date such objecting party receives the Assumption Notice. To the extent that any Contract Objection cannot be resolved by the parties, such Contract shall be assumed and assigned only upon satisfactory resolution of the Contract Objection, to be determined in the reasonable discretion of the Purchaser or other Successful Bidder arising from the Auction, if any, and until such time as the Contract Objection can be resolved, the Contract shall be conditionally assumed and assigned pending a resolution of the Contract Objection after notice and a hearing.

CONSEQUENCES OF FAILING TO TIMELY FILE AND SERVE AN OBJECTION

ANY COUNTERPARTY TO AN ASSIGNED CONTRACT WHO FAILS TO TIMELY FILE AND SERVE AN OBJECTION TO THE PROPOSED ASSUMPTION AND ASSIGNMENT OF AN ASSIGNED CONTRACT AND/OR THE CURE AMOUNT SET FORTH ON EXHIBIT A ATTACHED HERETO IN ACCORDANCE WITH THE SALE NOTICE ORDER AND THE ASSUMPTION PROCEDURES SHALL BE FOREVER BARRED FROM ASSERTING ANY OBJECTION TO THE ASSUMPTION AND ASSIGNMENT OF THE ASSIGNED CONTRACT AND/OR THE CURE AMOUNT SET FORTH ON EXHIBIT A ATTACHED HERETO, INCLUDING ASSERTING ADDITIONAL CURE AMOUNTS WITH RESPECT TO THE ASSIGNED CONTRACT RELATING TO ANY PERIOD PRIOR TO THE TIME OF ASSUMPTION AND ASSIGNMENT.

Wilmington, Delaware

Dated: [___], 2017

Domenic E. Pacitti (DE Bar No. 3989)

Michael W. Yurkewicz (DE Bar No. 4165)

KLEHR HARRISON HARVEY BRANZBURG LLP

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Proposed Counsel to the Debtors

EXHIBIT A

List of Assigned Contracts

Assigned Contracts¹

Debtor	Counterparty	Description of Assigned Contracts or Leases	Cure Amount
Limited Stores, LLC	Gerber Technology	Purchase Agreement and Standard Terms and Conditions of Sale: License of Computer Programs, dated June 9, 2009, but excluding, for the avoidance of doubt, the change order notification dated December 7, 2009 related to on-going software maintenance.	\$0

¹ The presence of a contract or lease on this **Exhibit A** does not constitute an admission by the Debtors that such contract is an executory contract or such lease is an unexpired lease pursuant to section 365 of the Bankruptcy Code or any other applicable law, and the Debtors reserve all rights to withdraw any proposed assumption and assignment or to reject any contract or lease at any time before such contract or lease is assumed and assigned pursuant to an order of the Court.

EXHIBIT B

Proposed Bid Protections Order

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

In re:)	
	)	Chapter 11
LIMITED STORES COMPANY, LLC, <i>et al.</i> , ¹	)	Case No. 17-10124 (___)
)	
Debtors.	)	(Joint Administration Requested)
)	

**ORDER (A) APPROVING CERTAIN BID PROTECTIONS IN CONNECTION WITH
THE SALE OF CERTAIN OF THE DEBTORS’ ASSETS,
AND (B) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)² of the above captioned debtors and debtors in possession (the “Debtors”) for the entry of an order (this “Bid Protections Order”): (a) approving the Bid Protections in connection with the Sale and (b) granting related relief; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the Debtors’ notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion, the Savini Declaration and First Day Declaration, and having heard the statements in support of the relief requested therein at a hearing before this

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: Limited Stores Company, LLC (6463); Limited Stores, LLC (0165); and The Limited Stores GC, LLC (6094). The location of the Debtors’ service address is: 7775 Walton Parkway, Suite 400, New Albany, Ohio 43054.

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

Court (the “Hearing”); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor,

THE COURT HEREBY FINDS³ THAT:

A. The Debtors have articulated good and sufficient reasons for this Court to approve the Bid Protections.

B. The statutory and legal predicates for the relief granted in this Order are sections 105,236, 503 and 507 of the Bankruptcy Code and Bankruptcy Rules 6004, 6006 and 9014..

C. The Bid Protections (i) shall, if triggered, be deemed an actual and necessary cost and expense of preserving the Debtors’ estates, within the meaning of sections 503(b) and 507(a)(2) of the Bankruptcy Code; (ii) are commensurate to the real and substantial benefit conferred upon the Debtors’ estates by the Purchaser; (iii) are reasonable and appropriate, including in light of the size and nature of the proposed Sale and comparable transactions, the commitments that have been made, and the efforts that have been and will be expended by the Purchaser; and (iv) were necessary to induce the Purchaser to pursue the Sale and to be bound by the Purchaser APA.

D. The Bid Protections were a material inducement to, and express condition of, the Purchaser’s willingness to enter into the Purchaser APA. The Purchaser has provided a material benefit to the Debtors and their creditors by increasing the likelihood that, given the circumstances, the best possible price for the Assets will be received. Accordingly, the Bid

³ The findings and conclusions set forth herein constitute this Court’s findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

Protections are reasonable and appropriate and represent the best method for maximizing value for the benefit of the Debtors' estates.

E. The Bid Protections and the Purchaser APA were negotiated by the parties at arm's length and in good faith by the Selling Debtors and the Purchaser.

IT IS HEREBY ORDERED THAT:

1. The Motion is granted as provided herein.

2. All objections to the relief provided herein that have not been withdrawn, waived, or settled as announced to the Court at the hearing on the Motion or by stipulation filed with the Court, and all reservations of rights included therein, are overruled and denied on the merits.

3. The Bid Protections are approved on the terms set forth in the Purchaser APA. The Debtors are hereby authorized to pay any and all such amounts owing to the Purchaser on account of the Bid Protections in accordance with the terms of the Purchaser APA without further action or order by the Court.

4. The Bid Protections (if payable under the Purchaser APA in accordance with its terms and the terms of this Bid Protections Order) shall be an allowed administrative expense claim in the Debtors' chapter 11 cases pursuant to sections 503(b)(1) and 507(a)(2) of the Bankruptcy Code senior to all other administrative expense claims; *provided that* notwithstanding anything to the contrary in this Order or the Purchaser APA, the Debtors' obligation to pay the Bid Protections (and the administrative expense status of the Bid Protections) shall be junior to any claims or obligations of the Debtors arising under any order of the Court authorizing the Debtors' entry into any debtor-in-possession credit agreement(s), if any, and all claims or obligations of the Debtors arising under the Pre-Petition Loan Documents (as defined in the Purchaser APA).

5. Any Overbid (as defined in the Sale Notice Order) must: (a) be a bulk bid to purchase all or substantially all of the Assets; (b) clearly set forth the purchase price to be paid, including and identifying separately any cash and non-cash components (the “Bid Price”); (c) be accompanied by a cash deposit in the amount equal to 5% of the Bid Price to be held in an escrow account to be identified and established by the Debtors; (d) provide consideration equal to or in excess of the sum of (i) cash in an amount equal to \$25,750,000, (ii) cash equal to the Bid Protections (i.e., \$1,272,500), and (iii) \$250,000; and (e) must otherwise be higher or better than the Purchaser APA, as determined in the Debtors’ business judgment. Any Overbid must otherwise comply with and be served in accordance with the Sale Notice Order. Notwithstanding the foregoing, the DIP Agent and Pre-Petition Agent shall have the absolute right to credit bid any portion or all of the Debtors’ outstanding obligations under the DIP Credit Agreement and the Pre-Petition Credit Agreement pursuant to Bankruptcy Code section 363(k), with such amounts treated the same as a cash bid of the equivalent amount, and without any requirement to pay a deposit in respect of such credit bid.

6. The Debtors, the DIP Agent, the Pre-Petition Agent, any official committee appointed in these cases, the purchaser and any other person or entity submitting a Qualified Bid, in each case, along with their respective representatives and counsel, may attend the Auction and only the Purchaser, DIP Agent, Pre-Petition Agent and such other bidders will be entitled to make bids at the Auction; it being understood that for all purposes under the bidding procedures, the Purchaser, the DIP Agent and the Pre-Petition Agent shall each be deemed to be qualified bidders.

7. At the Auction, the Debtors may: (a) select, in their business judgment, and in consultation with the agent under the Debtors’ proposed debtor-in-possession credit facility the

highest or otherwise best bid (the “Successful Bidder”) and a backup bidder; and (b) reject any bid (regardless of whether such bid is a Qualified Bid) that, in the Debtors’ business judgment, is (i) inadequate, insufficient, or not the highest or best bid, (ii) not in conformity with the requirements of the Bankruptcy Code or the Bankruptcy Rules, or (iii) contrary to, or otherwise not in the best interests of the Debtors’ estates, affected stakeholders, or other parties in interest. The Debtors’ determination of the highest or otherwise best Qualified Bid with respect to the Sale Assets may take into account, among other relevant factors, the total consideration to be received by the Debtors and the net consideration to be received by the Debtors after taking into account the Purchaser’s Bid Protections with respect to each round of bidding.

8. No person or entity, other than the Purchaser, shall be entitled to any expense reimbursement, break-up fees, “topping,” termination, or other similar fee or payment, and by submitting a bid, such person or entity is deemed to have waived their right to request or to file with this court any request for expense reimbursement or any fee of any nature, whether by virtue of section 503(b) of the Bankruptcy Code or otherwise.

9. Any obligations of the Debtors set forth in the Purchaser APA that are intended to be performed prior to the Sale Hearing and/or entry of the Sale Order are authorized.

10. This Order shall be binding on the Debtors and any chapter 7 or chapter 11 trustee or other fiduciary appointed for the Debtors’ estates.

11. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Bid Protections Order in accordance with the Motion.

12. The terms and conditions of this Bid Protections Order shall be immediately effective and enforceable upon its entry.

13. This Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Bid Protections Order.

Dated: _____, 2017
Wilmington, Delaware

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT C

Proposed Sale Order

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

In re:	)	Chapter 11
)	
LIMITED STORES COMPANY, LLC, <i>et al.</i> , ¹	)	Case No. 17-10124 (___)
)	
Debtors.	)	(Joint Administration Requested)
)	
	)	Re: Docket No. ___

**ORDER (A) APPROVING THE ASSET PURCHASE AGREEMENT
BETWEEN THE DEBTORS AND THE PURCHASER, (B) AUTHORIZING THE SALE
OF CERTAIN OF THE DEBTORS’ ASSETS FREE AND CLEAR OF LIENS, CLAIMS,
ENCUMBRANCES, AND INTERESTS, (C) AUTHORIZING THE ASSUMPTION
AND ASSIGNMENT OF CONTRACTS, AND (D) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an order (this “Order”): (a) approving the Purchaser APA attached to this Order as **Exhibit 1** (as may be amended in accordance with the outcome of the Auction, the “Agreement”); (b) authorizing and approving the Sale of the Assets free and clear of liens, claims, encumbrances, and other interests to the extent set forth in the Agreement; (c) authorizing the assumption and assignment of the Executory Contracts; and (d) granting related relief; and this Court, in furtherance of the Motion, having entered an order on _____, 2017 at [Docket No. ___] (the “Sale Notice Order”) approving, among other things, the proposed form of notice for the Sale Hearing; and this Court, in furtherance of the Motion, having entered an order on _____, 2017 at [Docket No. ___] (the “Bid Protections Order”) approving, among other things, the proposed Bid Protections; and the Debtors having

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: Limited Stores Company, LLC (6463); Limited Stores, LLC (0165); and The Limited Stores GC, LLC (6094). The location of the Debtors’ service address is: 7775 Walton Parkway, Suite 400, New Albany, Ohio 43054.

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

determined, after an extensive marketing process, that the Purchaser has submitted the highest and best bid for the Assets; and upon adequate and sufficient notice of the Motion, the Agreement, and all other related transactions contemplated thereunder and in this Order; and all interested parties having been afforded an opportunity to be heard with respect to the Motion and all relief related thereto; and the Court having reviewed and considered (i) the Motion and all relief related thereto, (ii) any objections thereto and (iii) the Court having heard statements of counsel and the evidence presented in support of the relief requested by the Debtors in the Motion at the hearing on the Bid Protections and at the Sale Hearing (the “Hearings”); and it appearing that the Court has jurisdiction over this matter; and it further appearing that the legal and factual bases set forth in the Motion and at the Hearings establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and all other parties in interest; and upon the record of the Hearings and all other pleadings and proceedings in these chapter 11 cases, including the Motion; and after due deliberation thereon; and good and sufficient cause appearing therefor,

THE COURT HEREBY FINDS THAT:³

I. Jurisdiction, Final Order, and Statutory Predicates

A. This Court has jurisdiction to hear and determine the Motion pursuant to 28 U.S.C. §§ 157(b)(1) and 1334(a). Venue is proper in this District and in the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

B. The statutory predicates for the relief requested in the Motion are sections 105(a), 363, and 365 of the Bankruptcy Code and Bankruptcy Rules 2002(a)(2), 6004, 6006, 9007 and 9014.

³ All findings of fact and conclusions of law announced by the Court at the Hearing in relation to the Motion are hereby incorporated herein to the extent not inconsistent herewith.

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

II. Notice of the Sale and Cure Amounts

D. Actual written notice of the Motion, and a reasonable opportunity to object or be heard with respect to the Motion and the relief requested therein, has been afforded to all known interested entities, including, but not limited to the following parties (the “Notice Parties”): (a) the Office of the United States Trustee for the District of Delaware; (b) the holders of the 30 largest unsecured claims against the Debtors (on a consolidated basis); (c) the administrative agent under the Debtors’ prepetition term loan; (d) counsel to the administrative agent under the Debtors’ prepetition term loan; (e) the agent under the Debtors’ proposed debtor-in-possession credit facility; (f) counsel to the agent under the Debtors’ proposed debtor-in-possession credit facility; (g) the United States Attorney’s Office for the District of Delaware; (h) all taxing authorities having jurisdiction over any of the Assets, including the Internal Revenue Service; (i) the Environmental Protection Agency; (j) the office of the attorneys general for the states in which the Debtors operate; (k) the Securities and Exchange Commission; (l) counsel to the Purchaser; (m) all parties that have expressed a written interest in acquiring any of the Assets, (n) the Executory Contract Counterparties, (o) all parties that are known or reasonably believed by the Debtors to have asserted any lien, encumbrance, claim or other interest in the Assets; (p) all governmental agencies that are known or reasonably believed by the Debtors to be an interested party with respect to the Sale and the related transactions, and (q) any party that has

requested notice pursuant to Bankruptcy Rule 2002. As evidenced by the affidavits of service and publication previously filed with the Court [Docket Nos. __, __, __, __ and __], and based on the representations of counsel at the Sale Hearing, due, proper, timely, adequate and sufficient notice of the Motion, the Sale Hearing, the Auction, the Sale, and the assumption and assignment of the Executory Contracts to be assumed and assigned to the Purchaser at Closing pursuant to this Order has been provided in accordance with sections 102(1), 363 and 365 of the Bankruptcy Code and Bankruptcy Rules 2002, 6004, 9007, and 9014 and in compliance with the Sale Notice Order, to each of the [Notice Parties].

E. Notice of the Sale Hearing and Sale was timely, proper, and reasonably calculated to provide the Notice Parties and all other interested parties with timely and proper notice of the the Sale and the Sale Hearing, and no other or further notice of the Motion, the Auction, the Sale, and the Sale Hearing is, or shall be, required.

F. A reasonable opportunity to object and be heard with respect to the Sale and the Motion and the relief requested therein has been afforded to all interested persons and entities, including the Notice Parties.

III. Good Faith of Purchaser

G. The Agreement was negotiated, proposed, and entered into by the Debtors and the Purchaser (or the Successful Bidder) without collusion, in good faith, and from arm's-length bargaining positions.

H. Neither the Debtors nor the Purchaser (nor the Successful Bidder) have engaged in any conduct that would cause or permit the Agreement to be avoided under Bankruptcy Code section 363(n). The Debtors and the Purchaser have not engaged in any conduct that would cause or permit the Agreement or the consummation of the Sale to be avoided, or costs or damages to be imposed, under section 363(n) of the Bankruptcy Code. The Purchaser (i)

recognized that the Debtors were free to deal with any other party interested in acquiring the Assets, (ii) complied with the Sale Notice Order and the Bid Protections Order, and (iii) agreed to subject its bid to the competing bidding procedures set forth in the Sale Notice Order and the Bid Protections Order. All payments to be made by the Purchaser and other agreements or arrangements entered into by the Purchaser in connection with the Sale have been disclosed. The Purchaser (or the Successful Bidder) is purchasing the Assets in good faith and is a good faith buyer within the meaning of section 363(m) of the Bankruptcy Code and is not an “insider” of any Debtor (as defined under section 101(31) of the Bankruptcy Code). The Purchaser (or the Successful Bidder) has proceeded in good faith in all respects in connection with the Sale. The Purchaser (or the Successful Bidder) is therefore entitled to all of the protections afforded under section 363(m) of the Bankruptcy Code.

IV. Highest and Best Offer

I. The Debtor’s marketing process with respect to the Assets, including the Debtors’ prepetition marketing process with respect to the Assets, afforded a full, fair, and reasonable opportunity for any person or entity to make a higher or otherwise better offer to purchase the Assets. The Agreement constitutes the highest and best offer for the Assets, and will provide a greater recovery for the Debtors’ estates than would be provided by any other available alternative. The Debtors’ determination that the Agreement constitutes the highest and best offer for the Assets constitutes a valid and sound exercise of the Debtors’ business judgment.

J. The Agreement represents a fair and reasonable offer to purchase the Assets under the circumstances of this chapter 11 case. No other entity or group of entities has offered to purchase the Assets for greater overall value to the Debtor’s estates than the Purchaser.

K. Approval of the Motion and the Agreement and the consummation of the transactions contemplated thereby is in the best interests of the Debtors' chapter 11 estates, their creditors, and other parties in interest.

V. No Fraudulent Transfer or Merger

L. The consideration provided by the Purchaser pursuant to the Agreement (i) is fair and reasonable, (ii) is the highest or best offer for the Assets, and (iii) constitutes reasonably equivalent value (as those terms are defined in each of the Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, and section 548 of the Bankruptcy Code) and fair consideration under the Bankruptcy Code and under the laws of the United States, any state, territory, possession, or the District of Columbia. No other person or entity or group of entities has offered to purchase the Assets for greater overall value to the Debtors' estates than the Purchaser. Approval of the Motion and the Agreement and the consummation of the transactions contemplated thereby is in the best interests of the Debtors, their estates, creditors and other parties in interest.

M. The Purchaser or the Successful Bidder is not a mere continuation of the Debtors or their estates and there is no continuity of enterprise between the Purchaser (or the Successful Bidder) and the Debtors. The Purchaser or the Successful Bidder is not holding itself out to the public as a continuation of the Debtors. The Purchaser or the Successful Bidder is not a successor to the Debtors or their estates by reason of any theory of law or equity, and the Sale does not amount to a consolidation, merger, or *de facto* merger of Purchaser or the Successful Bidder and the Debtors.

VI. Validity of Transfer

N. Each Debtor has, to the extent necessary or applicable, (i) full corporate power and authority to execute and deliver the Agreement and all other documents contemplated

thereby, (ii) all corporate authority necessary to consummate the transactions contemplated by the Agreement, and (iii) taken all corporate action necessary to authorize and approve the Agreement and the consummation of the transactions contemplated thereby. The Sale has been duly and validly authorized by all necessary corporate action. No consents or approvals, other than those expressly provided for in the Agreement, are required for the Debtors to consummate the Sale, the Agreement, or the transactions contemplated thereby.

O. The Agreement was not entered into for the purpose of hindering, delaying or defrauding creditors under the Bankruptcy Code or under the laws of the United States, any state, territory, possession or the District of Columbia. Neither the Debtors nor the Purchaser is entering into the transactions contemplated by the Agreement fraudulently for the purpose of statutory and common law fraudulent conveyance and fraudulent transfer claims.

P. The Debtors are the sole and lawful owners of the Assets. The Assets constitute property of the Debtors' estates and title thereto is vested in the Debtors' estates within the meaning of section 541(a) of the Bankruptcy Code. Subject to section 363(f) of the Bankruptcy Code, the transfer of each of the Assets to the Purchaser will be, as of the Closing Date, a legal, valid, and effective transfer of the Assets, which transfer vests or will vest the Purchaser or the Successful Bidder with all right, title, and interest of the Debtors to the Assets free and clear of (i) all liens (including any liens as that term is defined in section 101(37) of the Bankruptcy Code) and encumbrances relating to, accruing, or arising any time prior to the Closing Date (collectively, the "Liens") and (ii) all debts arising under, relating to, or in connection with any act of the Debtors or claims (as that term is defined in section 101(5) of the Bankruptcy Code), liabilities, obligations, demands, guaranties, options in favor of third parties, rights, contractual commitments, restrictions, interests, mortgages, hypothecations, charges, indentures, loan

agreements, instruments, collective bargaining agreements, leases, licenses, deeds of trust, security interests, conditional sale or other title retention agreements, pledges, judgments, claims for reimbursement, contribution, indemnity, exoneration, infringement, products liability, alter-ego, and matters of any kind and nature, whether arising prior to or subsequent to the commencement of these cases, and whether imposed by agreement, understanding, law, equity or otherwise (including, without limitation, rights with respect to Claims (as defined below) and Liens (A) that purport to give to any party a right of setoff or recoupment against, or a right or option to effect any forfeiture, modification, profit sharing interest, right of first refusal, purchase or repurchase right or option, or termination of, any of the Debtors' or the Purchaser's (or the Successful Bidder's) interests in the Assets, or any similar rights, or (B) in respect of taxes, restrictions, rights of first refusal, charges of interests of any kind or nature, if any, including, without limitation, any restriction of use, voting, transfer, receipt of income or other exercise of any attributes of ownership) (collectively, as defined in this clause (ii), "Claims"), relating to, accruing or arising any time prior to entry of this Order, with the exception of any such Liens or Claims that are expressly assumed by Purchaser or the Successful Bidder under the Agreement (the "Permitted Obligations"), including, for the avoidance of doubt, cure costs or any other obligations arising under the Executory Contracts to the extent set forth in the Agreement.

VII. Section 363(f) is Satisfied

Q. The conditions of Section 363(f) of the Bankruptcy Code have been satisfied in full; therefore, the Debtors may sell the Assets free and clear of any interest in the property other than the Permitted Obligations.

R. The Purchaser or the Successful Bidder would not have entered into the Agreement and would not consummate the transactions contemplated thereby if the sale of the Assets to the Purchaser or the Successful Bidder were not free and clear of all Liens and Claims,

other the Permitted Obligations, or if the Purchaser or the Successful Bidder would, or in the future could, be liable for any of such Liens and Claims (other than the Permitted Obligations). Unless otherwise expressly included in the Permitted Obligations, the Purchaser or the Successful Bidder shall not be responsible for any Liens or Claims, including in respect of the following (all of which shall be deemed included in the definition of Liens and Claims, as applicable, for purposes of this Order): (i) any labor or employment agreements; (ii) all mortgages, deeds of trust and security interests; (iii) intercompany loans and receivables among the Debtors, (iv) any pension, welfare, compensation, or other employee benefit plans, agreements, practices, and programs, including, without limitation, any pension plan of any Debtor; (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) the Employee Retirement Income Security Act of 1974, as amended, (B) the Fair Labor Standards Act, (C) Title VII of the Civil Rights Act of 1964, (D) the Federal Rehabilitation Act of 1973, (E) the National Labor Relations Act, (F) the Worker Adjustment and Retraining Act of 1988, (G) the Age Discrimination and Employee Act of 1967 and Age Discrimination in Employment Act, as amended, (H) the Americans with Disabilities Act of 1990, (I) the Consolidated Omnibus Budget Reconciliation Act of 1985, (J) state discrimination laws, (K) state unemployment compensation laws or any other similar state laws, or (L) any other state or federal benefits or claims relating to any employment with any of the Debtors or any of their respective predecessors; (vi) Claims or Liens arising under any environmental law with respect to the operation of the Debtors' business, Excluded Liabilities, the Assets, Excluded Assets, or assets owned or operated by Debtors or any corporate predecessor at any time prior to the Closing Date; (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 (ix) any theories of successor liability.

S. The Debtors may sell the Assets free and clear of all Liens and Claims against the Debtors, their estates, or any of the Assets (except the Permitted Obligations) 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 or Claims against the Debtors, their estates, or any of the Assets who did not object, or who withdrew their objections, to the Sale or the Sale Motion are deemed to have consented pursuant to section 363(f)(2) of the Bankruptcy Code. All other holders of Liens or Claims (except to the extent that such Liens or Claims are Permitted Obligations) are adequately protected by having their Liens or Claims, if any, in each instance against the Debtors, their estates, or any of the Assets, attach to the net cash proceeds of the Sale ultimately attributable to the Assets in which such creditor alleges a Lien or Claims, in the same order of priority, with the same validity, force, and effect that such Liens or Claims had prior to the Sale, subject to any claims and defenses the Debtors and their estates may possess with respect thereto.

VIII. Cure Costs and Adequate Assurance of Future Performance

T. The assumption and assignment of the Executory Contracts pursuant to the terms of this Sale Order is integral to the Agreement and is in the best interests of the Debtors and their estates, their creditors, and all other parties in interest, and represents the reasonable exercise of sound and prudent business judgment by the Debtors. Subject to the terms and conditions of the Agreement, the Purchaser or the Successful Bidder shall: (i) to the extent necessary, cure or provide adequate assurance of cure, of any default existing prior to the date hereof with respect to the Executory Contracts, within the meaning of 11 U.S.C. §§ 365(b)(1)(A) and 365(f)(2)(A), and (ii) to the extent necessary, provide compensation or adequate assurance of compensation to

any party for any actual pecuniary loss to such party resulting from a default prior to the date hereof with respect to the Executory Contracts, within the meaning of 11 U.S.C. § 365(b)(1)(B) and 365(f)(2)(A). The Purchaser's or the Successful Bidder's promise to pay the Cure Amounts and to perform the obligations under the Executory Contracts shall constitute adequate assurance of future performance within the meaning of 11 U.S.C. §§ 365(b)(1)(C) and 365(f)(2)(B).

IX. Compelling Circumstances for an Immediate Sale

U. Good and sufficient reasons for approval of the Agreement and the Sale have been articulated. The relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors and other parties in interest. The Debtors have demonstrated both (i) good, sufficient, and sound business purposes and justifications for approving the Agreement and (ii) compelling circumstances for the Sale outside the ordinary course of business, pursuant to section 363(b) of the Bankruptcy Code before, and outside of, a plan of reorganization, in that, among other things, the immediate consummation of the Sale to the Purchaser or the Successful Bidder is necessary and appropriate to maximize the value of the Debtors' estates and the Sale will provide the means for the Debtors to maximize distributions to creditors.

V. To maximize the value of the Assets, time is of the essence in consummating the Sale. Given all of the circumstances of these chapter 11 cases and the adequacy and fair value of Agreement, the proposed Sale of the Assets to the Purchaser or the Successful Bidder constitutes a reasonable and sound exercise of the Debtors' business judgment and should be approved.

W. The Sale does not constitute a *sub rosa* chapter 11 plan for which approval has been sought without the protections that a disclosure statement would afford. The Sale neither impermissibly restructures the rights of the Debtors' creditors nor impermissibly dictates a liquidating chapter 11 plan for the Debtors.

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

IT IS HEREBY ORDERED THAT:

X. General Provisions

1. The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to these chapter 11 cases pursuant to Bankruptcy Rule 9014. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

2. The relief requested in the Motion and the transactions contemplated thereby and by the Agreement are approved as set forth in this Order and on the record of the Sale Hearing, which is incorporated herein as if set forth fully in this Order, and the Sale contemplated thereby is approved.

3. All objections to the Motion or the relief requested therein that have not been withdrawn, waived, or settled as announced to the Court at the Sale Hearing or by stipulation filed with the Court, and all reservations of rights included in such objections or otherwise, are hereby denied and overruled on the merits with prejudice. Those parties who did not object or withdrew their objections to the Motion are deemed to have consented pursuant to section 363(f)(2) of the Bankruptcy Code.

XI. Approval of the Agreement

4. The Agreement and all other ancillary documents, and all of the terms and conditions thereof, are hereby approved.

5. Pursuant to sections 363(b) and (f) of the Bankruptcy Code, the Debtors are authorized and empowered to take any and all actions necessary or appropriate to (i) consummate the Sale pursuant to and in accordance with the terms and conditions of the Agreement, (ii) close the Sale as contemplated in the Agreement and this Order, and (iii) execute and deliver, perform under, consummate, implement, and fully close the Agreement, including the assumption and assignment to the Purchaser or the Successful Bidder of the Executory Contracts, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the Agreement and the Sale. The Purchaser or the Successful Bidder shall not be required to seek or obtain relief from the automatic stay under section 362 of the Bankruptcy Code to enforce any of its remedies under the Agreement or any other Sale related document. The automatic stay imposed by section 362 of the Bankruptcy Code is modified solely to the extent necessary to implement the preceding sentence and the other provisions of this Order.

6. This Order shall be binding in all respects upon the Debtors, their estates, all creditors of, and holders of equity interests in, any Debtor, any holders of Liens, Claims, or other interests (whether known or unknown) in, against or on all or any portion of the Assets, all counterparties to any executory contract or unexpired lease of the Debtors, the Purchaser or the Successful Bidder and all successors and assigns of the Purchaser or the Successful Bidder, the Assets, and any trustees, if any, subsequently appointed in any of the Debtors' chapter 11 cases or upon a conversion to chapter 7 under the Bankruptcy Code of any of the Debtors' cases. This Order and the Agreement shall inure to the benefit of the Debtors, their estates and creditors, the

Purchaser or the Successful Bidder, and the respective successors and assigns of each of the foregoing.

XII. Transfer of the Assets

7. Pursuant to sections 105(a), 363(b), 363(f), 365(b) and 365(f) of the Bankruptcy Code, the Debtors are authorized to transfer the Assets to the Purchaser or the Successful Bidder in accordance with the terms of the Agreement and such transfer shall constitute a legal, valid, binding, and effective transfer of such Assets and shall vest Purchaser or the Successful Bidder with title to the Assets and, other than the Permitted Obligations, shall be free and clear of all Liens, Claims, and other interests of any kind or nature whatsoever, with all such Liens, Claims, or other interests to attach to the net cash proceeds ultimately attributable to the property against or in which such Liens, Claims, or other interests are asserted, subject to the terms thereof, with the same validity, force, and effect, and in the same order of priority, which such Liens, Claims, or other interests now have against the Assets, subject to any rights, claims, and defenses the Debtors or their estates, as applicable, may possess with respect thereto.

8. The Debtors are hereby authorized to take any and all actions necessary to consummate the Agreement, including any actions that otherwise would require further approval by shareholders, members, or its board of directors, as the case may be, without the need of obtaining such approvals.

9. The transfer of the Assets to the Purchaser or the Successful Bidder pursuant to the Agreement does not require any consents other than as specifically provided for in the Agreement. 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 the Agreement. A certified copy of this Order may be filed with the appropriate clerk or recorded with the recorder of any state, county, or

local authority to act to cancel any of the Liens, Claims, and other encumbrances of record except those assumed as Permitted Obligations.

10. If any person or entity that has filed statements or other documents or agreements evidencing Claims or Liens on, or interests in, all or any portion of the Assets (other than statements or documents with respect to Permitted Obligations) shall not have delivered to the Debtors, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, releases of liens and easements, and any other documents necessary for the purpose of documenting the release of all Claims, Liens, or interests which the person or entity has or may assert with respect to all or any portion of the Assets, the Debtors are hereby authorized and directed, and the Purchaser or the Successful Bidder is hereby authorized, on behalf of the Debtors and the Debtors' creditors, to execute and file such statements, instruments, releases and other documents on behalf of such person or entity with respect to the Assets.

11. This Order is and shall be binding upon and govern the acts of all persons and entities, 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 and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register, or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any lease; and each of the foregoing persons and entities is hereby directed to accept for filing any and all of the documents and instruments necessary and appropriate to consummate the transactions contemplated by the Agreement.

12. All persons and entities that are presently, or on the Closing may be, in possession of some or all of the Assets to be sold, transferred or conveyed to the Purchaser pursuant to the Agreement are hereby directed to surrender possession of the Assets to the Purchaser on the Closing Date. Subject to the terms, conditions, and provisions of this Order, all persons and entities are hereby forever prohibited and enjoined from taking any action that would adversely affect or interfere with the ability of the Debtors to sell and transfer the Assets to the Purchaser or the Successful Bidder in accordance with the terms of the Agreement and this Order.

XIII. Assumption and Assignment of Contracts.

13. The Debtors are hereby authorized and directed in accordance with sections 105(a), 363 and 365 of the Bankruptcy Code to (i) assume and assign to Purchaser or the Successful Bidder, in accordance with the terms of the Agreement, the Executory Contracts free and clear of all Liens, Claims, and other interests of any kind or nature whatsoever (other than the Permitted Obligations), and (ii) execute and deliver to Purchaser or the Successful Bidder such documents or other instruments as Purchaser or the Successful Bidder deems may be necessary to assign and transfer the Executory Contracts to Purchaser or the Successful Bidder.

14. With respect to the Executory Contracts: (i) the Debtors may assume each of the Executory Contracts in accordance with section 365 of the Bankruptcy Code; (ii) the Debtors may assign each Executory Contract in accordance with sections 363 and 365 of the Bankruptcy Code, and any provisions in any Executory Contract that prohibit or condition the assignment of such Executory Contract or allow the party to such Executory Contract to terminate, recapture, impose any penalty, condition renewal or extension, or modify any term or condition upon the assignment of such Contract, constitute unenforceable anti-assignment provisions which are void and of no force and effect; (iv) all other requirements and conditions under sections 363 and 365 of the Bankruptcy Code for the assumption by the Debtors and assignment to Purchaser or the

Successful Bidder of each Executory Contract have been satisfied; and (v) the Executory Contracts shall be transferred and assigned to, and following the closing of the Sale remain in full force and effect for the benefit of, Purchaser or the Successful Bidder, notwithstanding any provision in any such Executory Contract (including those of the type described in sections 365(b)(2) and (f) of the Bankruptcy Code) that prohibits, restricts, or conditions such assignment or transfer and, pursuant to section 365(k) of the Bankruptcy Code, the Debtors shall be relieved from any further liability with respect to the Executory Contracts after such assumption and assignment to Purchaser or the Successful Bidder.

15. All defaults or other obligations of the Debtors under the Executory Contracts arising or accruing prior to the closing of the Sale shall be cured by the Purchaser or the Successful Bidder in accordance with the terms of the Agreement.

16. Upon the Closing, in accordance with sections 363 and 365 of the Bankruptcy Code, the Purchaser shall be fully and irrevocably vested in all right, title and interest of each Executory Contract. To the extent provided in the Agreement, the Debtors shall cooperate with, and take all actions reasonably requested by, the Purchaser to effectuate the foregoing.

17. Each Contract counterparty is deemed to have consented to assumption and assignment, and the Purchaser or the Successful Bidder shall be deemed to have demonstrated adequate assurance of future performance with respect to such Contract pursuant to sections 365(b)(1)(C) and 365(f)(2)(B) of the Bankruptcy Code.

18. Upon the Debtors' assignment of the Executory Contracts to the Purchaser or the Successful Bidder under the provisions of this Order and any additional orders of this Court and Purchaser's or the Successful Bidder's payment of any cure amounts pursuant to the terms hereof or the Agreement, no default shall exist under any Contract, and no counterparty to any Contract

shall be permitted (i) to declare a default by the Purchaser or the Successful Bidder under such Contract or (ii) otherwise take action against the Purchaser or the Successful Bidder as a result of any Debtor's financial condition, bankruptcy, or failure to perform any of its obligations under the relevant Contract. Each non-Debtor party to a Contract hereby is also forever barred, estopped, and permanently enjoined from (i) asserting against the Debtors or Purchaser or the Successful Bidder, or the property of any of them, any default or Claim arising out of any indemnity obligation or warranties for acts or occurrences arising prior to or existing as of the closing of the Sale, or, against Purchaser or the Successful Bidder, any counterclaim, defense, setoff, or any other Claim asserted or assertable against the Debtors and (ii) imposing or charging against Purchaser or the Successful Bidder or its affiliates any rent accelerations, assignment fees, increases, or any other fees as a result of the Debtors' assumption and assignments to Purchaser or the Successful Bidder of the Executory Contracts.

19. The failure of the Debtors or Purchaser or the Successful Bidder to enforce at any time one or more terms or conditions of any Contract shall not be a waiver of such terms or conditions, or of the Debtors' and Purchaser's or the Successful Bidder's rights to enforce every term and condition of the Executory Contracts.

20. The Purchaser has provided adequate assurance of future performance under the relevant Executory Contracts within the meaning of sections 365(b)(1)(C) and 365(f)(2)(B) of the Bankruptcy Code.

21. The Purchaser shall be deemed to be substituted for the Debtors as a party to the applicable Executory Contracts and the Debtors shall be relieved, pursuant to section 365(k) of the Bankruptcy Code, from any further liability under the Executory Contracts.

22. All counterparties to the Executory Contracts shall cooperate and expeditiously execute and deliver, upon the reasonable requests of the Purchaser, and shall not charge the Debtors or the Purchaser for any instruments, applications, consents or other documents which may be required or requested by any public or quasi-public authority or other party or entity to effectuate the applicable transfers in connection with the Sale of the Assets.

XIV. Prohibition of Actions Against the Purchaser or the Successful Bidder

23. Except for the Permitted Obligations, or as otherwise expressly provided for in this Order or the Agreement, the Purchaser or the Successful Bidder shall not have any liability or other obligation of the Debtors arising under or related to any of the Assets. Without limiting the generality of the foregoing, and except as otherwise specifically provided herein or in the Agreement, the Purchaser or the Successful Bidder shall not be liable for any Claims or Liens against the Debtors or any of their predecessors or affiliates, and the Purchaser or the Successful Bidder shall have no successor or vicarious liabilities of any kind or character, including, but not limited to, under any theory of antitrust, environmental, successor, or transferee liability, labor law, de facto merger, mere continuation, or substantial continuity, whether known or unknown, now existing or hereafter arising, whether fixed or contingent, whether asserted or unasserted, whether legal or equitable, whether liquidated or unliquidated, including, but not limited to, liabilities on account of warranties, intercompany loans, and receivables among the Debtors, and any taxes arising, accruing, or payable under, out of, in connection with, or in any way relating to the operation of any of the Assets prior to the closing of the Sale.

24. Except with respect to Permitted Obligations, or as otherwise permitted by the Agreement or this Order, all persons and entities, including, but not limited to, all debt security holders, equity security holders, governmental, tax and regulatory authorities, lenders, trade creditors, litigation claimants, and other creditors, holding Liens, Claims, or other interests of

any kind or nature whatsoever against or in all or any portion of the Assets (whether legal or equitable, secured or unsecured, matured or unmatured, contingent or non-contingent, liquidated or unliquidated, senior or subordinate), arising under or out of, in connection with, or in any way relating to the Debtors, the Assets, the operation of the Debtors' business prior to the closing of the Sale, or the transfer of the Assets to the Purchaser or the Successful Bidder, hereby are forever barred, estopped and permanently enjoined from asserting against the Purchaser or the Successful Bidder, any of the foregoing's affiliates, successors, or assigns, their property or the Assets, such persons' or entities' Liens, Claims, or interests in and to the Assets, including, without limitation, the following actions: (i) commencing or continuing in any manner any action or other proceeding against the Purchaser or the Successful Bidder, its affiliates, its successors, assets or properties; (ii) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or order against the Purchaser or the Successful Bidder, its affiliates, its successors, assets or properties; (iii) creating, perfecting, or enforcing any Lien or other Claim against the Purchaser or the Successful Bidder, its affiliates, its successors, assets, or properties; (iv) asserting any setoff, right of subrogation, or recoupment of any kind against any obligation due the Purchaser or the Successful Bidder, its affiliates or its successors; (v) commencing or continuing any action, in any manner or place, that does not comply or is inconsistent with the provisions of this Order or other orders of the Court, or the agreements or actions contemplated or taken in respect thereof; or (vi) revoking, terminating or failing or refusing to transfer or renew any license, permit or authorization to operate any of the Assets or conduct any of the businesses operated with the Assets.

25. All persons and entities are hereby forever prohibited and enjoined from taking any action that would adversely affect or interfere with the ability of the Debtors to sell and

transfer the Assets to the Purchaser or the Successful Bidder in accordance with the terms of the Agreement and this Order.

26. Except as provided in the Agreement and without limiting other applicable provisions of this Order, the Purchaser is not, by virtue of the consummation of the Sale, assuming, nor shall it be liable or responsible for, as a successor or otherwise (including with respect to successor or vicarious liabilities of any kind or character), under any theory of law or equity, including any theory of antitrust, environmental successor or transferee liability, labor law, de facto merger, or substantial continuity, whether known or unknown as of the Closing Date, now existing or hereafter raised, which may be asserted or unasserted, fixed or contingent, liquidated or unliquidated with respect to the Debtors, or any of their predecessors or affiliates or any obligations of the Debtors or their predecessors or affiliates arising prior to the Closing Date, for any liabilities, debts, commitments, or obligations (whether known or unknown, disclosed or undisclosed, absolute, contingent, inchoate, fixed or otherwise) in any way whatsoever relating to or arising from the Assets or the Debtors' operation of their businesses or use of the Assets on or prior to the Closing Date or any such liabilities, debts, commitments, or obligations that in any way whatsoever relate to periods on or prior to the Closing Date or are to be observed, paid, discharged, or performed on or prior to the Closing Date (in each case, including any liabilities that result from, relate to or arise out of tort or product liability claims), or any liabilities calculable by reference to the Debtors or their assets or operations (including by reference to the Debtors' experience or similar ratings), or relating to continuing conditions existing on or prior to the Closing Date, including with respect to any of Debtors' predecessors or affiliates, which liabilities, debts, commitments, and obligations are hereby extinguished insofar as they may give rise to successor liability, without regard to whether the claimant asserting any such liabilities,

debts, commitments, or obligations has delivered to the Purchaser a release thereof. es of the Debtors or the Assets for or applicable to the pre-Closing period. The Purchaser has given substantial consideration under the Purchase Agreement for the benefit of the holders of any Liens or Claims. The consideration given by the Purchaser shall constitute valid and valuable consideration for the releases of any potential claims of successor liability of the Purchaser, which releases shall be deemed to have been given in favor of the Purchaser by all holders of Liens or Claims against or interests in the Debtors or any of the Assets.

XV. Other Provisions

27. The consideration provided by the Purchaser or the Successful Bidder to the Debtors pursuant to the Agreement for the Assets constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code, Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, and under the laws of the United States, any state, territory, possession or the District of Columbia.

28. Following the Closing, no holder of a Lien or Claim in or against the Debtors or the Assets shall interfere with the Purchaser's title to or use and enjoyment of the Assets based on or related to such Lien or Claim or any actions that the Debtors may take in these Chapter 11 Cases or any successor cases.

29. The transactions contemplated by the Agreement are undertaken by the Purchaser or the Successful Bidder without collusion and in good faith, as that term is defined in section 363(m) of the Bankruptcy Code, and, accordingly, the reversal or modification on appeal of the authorization provided herein to consummate the Sale shall not affect the validity of the Sale, or the assumption and assignment of the Executory Contracts, unless such authorization and such Sale are duly stayed pending such appeal. The Purchaser or the Successful Bidder is a good faith

buyer within the meaning of section 363(m) of the Bankruptcy Code and, as such, is entitled to the full protections of section 363(m) of the Bankruptcy Code.

30. Nothing contained in any plan of reorganization or liquidation, or order of any type or kind entered in (i) these chapter 11 cases, (ii) any subsequent chapter 7 case into which any such chapter 11 case may be converted, or (iii) any related proceeding subsequent to entry of this Order, shall conflict with or derogate from the provisions of the Agreement or the terms of this Order.

31. For cause shown, pursuant to Bankruptcy Rules 6004(h) and 7062(g), this Order shall not be stayed, shall be effective immediately upon entry, and the Debtors and Purchaser or the Successful Bidder are authorized to close the Sale immediately upon entry of this Order.

32. The failure to specifically include any particular provision of the Agreement in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the Agreement be authorized and approved in its entirety; *provided that* this Order shall govern if there is any inconsistency between the Agreement (including all ancillary documents executed in connection therewith) and this Order.

33. The Agreement 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.

34. The proceeds received by the Debtors pursuant to the terms of the Agreement and this Sale Order shall be paid over by the Debtors to the DIP Agent and/or Pre-Petition Agent in the manner set forth in that certain [DIP Order].

35. The Court shall retain jurisdiction to, among other things, interpret, implement, and enforce the terms and provisions of this Order and the Agreement, all amendments thereto

and any waivers and consents thereunder and each of the agreements executed in connection therewith to which any Debtor is a party or which has been assigned by the Debtors to the Purchaser or the Successful Bidder, and to adjudicate, if necessary, any and all disputes concerning or relating in any way to the Sale, including, but not limited to, retaining jurisdiction to (i) compel delivery of the Assets to the Purchaser or the Successful Bidder, (ii) interpret, implement, and enforce the provisions of this Order; (iii) protect Purchaser or the Successful Bidder against any Liens, Claims, or other interest in or against the Sellers or the Assets of any kind or nature whatsoever, attaching to the proceeds of the Sale, and (iv) enter any orders under sections 363 and 365 of the Bankruptcy Code with respect to the Executory Contracts.

36. To the extent that this Order is inconsistent with any prior order or pleading with respect to the Sale Motion in these chapter 11 cases, the terms of this Order shall govern.

Dated: _____, 2017
Wilmington, Delaware

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

Purchaser APA

ASSET PURCHASE AGREEMENT
dated as of January 12, 2017

among

LIMITED IP ACQUISITION LLC,
as Purchaser

and

LIMITED STORES, LLC,
and
THE LIMITED STORES GC, LLC
as Sellers

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (as amended, supplemented, amended and restated or otherwise modified from time to time, this "Agreement") is made and entered into as of this 12th day of January, 2017, by and among (i) Limited IP Acquisition LLC, a Delaware limited liability company ("Purchaser"), and (ii) Limited Stores, LLC, a Delaware limited liability company ("Limited"), and The Limited Stores GC, LLC, an Ohio limited liability company ("Limited GC," and each of Limited and Limited GC, a "Seller," and collectively, the "Sellers").

WHEREAS, Sellers intend to file voluntary petitions under chapter 11 of title 11 of the United States Code (as amended, the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") shortly after execution of this Agreement (the date of the commencement of such filing, the "Petition Date");

WHEREAS, the parties to this Agreement intend to effectuate the transactions contemplated by this Agreement through a sale pursuant to Section 363 of the Bankruptcy Code; and

WHEREAS, the execution and delivery of this Agreement and Sellers' ability to consummate the transactions set forth below are subject, *inter alia*, to entry of an order of the Bankruptcy Court approving this Agreement.

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

ARTICLE I DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 Definitions. Unless otherwise defined herein, terms used herein shall have the meanings set forth below:

"Acquired Assets" has the meaning set forth in Section 2.1(a) hereof.

"Acquired Intellectual Property" has the meaning set forth in Section 2.1(a) hereof.

"Added Assumed Executory Contracts" has the meaning set forth in Section 2.2(a) hereof.

"Affiliate" of any particular Person means any other Person controlling, controlled by or under common control with such particular Person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities or otherwise.

"Agreement" means this Asset Purchase Agreement, including all the Exhibits and the Schedules hereto, as the same may be amended, supplemented, amended and restated, or otherwise modified from time to time in accordance with its terms.

"Allocation" has the meaning set forth in Section 3.4 hereof.

"Alternative Transaction" means a sale, transfer or other disposition, directly or indirectly, whether by means of an asset sale, merger, sale of stock, or otherwise, and including a plan of reorganization approved by the Bankruptcy Court, of any material portion of the Acquired Assets to a party other than Purchaser, whether in a single transaction or a series of transactions.

"Asset Acquisition Statement" has the meaning set forth in Section 3.4 hereof.

"Assignment and Assumption" has the meaning set forth in Section 10.2(d) hereof.

"Assumed Executory Contract" has the meaning set forth in Section 2.1(a) hereof.

"Assumed Obligations" has the meaning set forth in Section 2.2(a) hereof.

"Avoidance Actions" means any and all avoidance, recovery, or subordination actions or remedies that may be brought by or on behalf of either Seller or its chapter 11 estate, including causes of action arising under chapter 5 of the Bankruptcy Code or applicable non-bankruptcy law.

"Bankruptcy Code" has the meaning set forth in the Recitals hereto.

"Bankruptcy Court" has the meaning set forth in the Recitals hereto.

"Bankruptcy Rule" or "Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure.

"Bid Protections Order" means an Order of the Bankruptcy Court in form and substance reasonably acceptable to Purchaser and Sellers approving the Break-Up Fee and Expense Reimbursement.

"Books and Records" means all (i) books and records of Sellers pertaining to the Acquired Assets, (ii) all records relating to customers, suppliers or personnel of Sellers pertaining to the Acquired Assets, (iii) all records relating to all product, business and marketing plans of any Seller pertaining to the Acquired Assets, and (iv) all books, ledgers, files, reports, plans, drawings, and operating records of Sellers pertaining to the Acquired Assets; provided, however, "Books and Records" shall not include the originals of any Sellers' minute books, stock books, and Tax Returns.

"Break-Up Fee" has the meaning set forth in Section 11.2(e) hereof.

"Business" means the activities carried on by Sellers relating to the operation of a fashion specialty retailer of high-quality, private-label apparel, and accessories.

"Business Day" means each day other than a Saturday, a Sunday, or a day on which banking institutions are not required to be open in the State of Delaware.

"Cash Portion" has the meaning set forth in Section 3.1(a) hereof.

"Chapter 11 Cases" means the cases to be commenced by Sellers under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court.

"Claim" has the meaning set forth in section 101(5) of the Bankruptcy Code.

"Closing" has the meaning set forth in Section 10.1 hereof.

"Closing Date" has the meaning set forth in Section 10.1 hereof.

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

"Contract" means any agreement, contract, commitment, or other binding arrangement or understanding, whether written or oral, to which any Seller is a party and which such Seller is permitted to assign under the Bankruptcy Code and Purchaser to assume.

"Copyright" means all U.S. and foreign copyrights and copyrightable subject matter, whether registered or unregistered, including all U.S. copyright registrations and applications for registration and foreign equivalents, all moral rights, all common-law copyright rights and all rights to register and obtain renewals and extensions of copyright registrations, together with all copyright rights accruing by reason of any international copyright convention.

"Cure Cap" means Cure Costs associated with the Assumed Executory Contracts in an amount not to exceed 105% of the Cure Costs designated in the Bankruptcy Court filings to be made by the Sellers pursuant to Section 6.3(a)(ii) hereof.

"Cure Costs" means all cure costs associated with any Assumed Executory Contract that is subject to a cure pursuant to section 365 of the Bankruptcy Code.

"Customer Lists" means any and all lists of current and past customers, including any and all information relating in any way to the use of such lists, including (x) Personal Information and (y) customer purchase history at a transaction level (including with respect to dollar amounts, dates, and items purchased), but excluding from the foregoing any credit card numbers or other information to the extent prohibited by any Data Security Requirements.

"Data Security Requirements" means, collectively, all of the following to the extent relating to privacy, security, or security breach notification requirements: (i) each Seller's own rules, policies, and procedures; (ii) all applicable Regulations; (iii) industry standards applicable to the industry in which the Business is conducted (including the Payment Card Industry Data Security Standard (PCI DSS)); and (iv) Contracts into which either Seller has entered or by which it is otherwise bound.

"Deposit" has the meaning set forth in Section 3.2(a) hereof.

"DIP Credit Agreement" has the meaning set forth in Section 11.2(f).

"Disclosure Schedules" has the meaning set forth in Section 4.1 hereof.

"Dollars" or "\$" means dollars of the United States of America.

"Domain Names" means any alphanumeric designation registered with or assigned by a domain name register, registry or domain name registration authority as part of an electronic address on the Internet. For clarity, a Domain Name may also embody a Trademark.

"Electronic Delivery" has the meaning set forth in Section 13.5 hereof.

"Escrow Agent" means Citibank, N.A., or its successors, in its capacity as such pursuant to the Escrow Agreement.

"Escrow Agreement" has the meaning set forth in Section 3.2(a) hereof.

"Exhibits" means the exhibits hereto.

"Expense Reimbursement" has the meaning set forth in Section 11.2(d) hereof.

"Final Order" means an Order of the Bankruptcy Court or any other court of competent jurisdiction which has not been modified, amended, reversed, vacated or stayed and as to which the time to file an appeal, a motion for rehearing or reconsideration or a petition for writ of certiorari has expired and no such appeal, motion or petition is pending or, if an appeal, motion or petition is pending, for which Order no stay shall have been entered by the Bankruptcy Court or such other court of competent jurisdiction; provided, that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure or any comparable rule of the Bankruptcy Rules may be filed related to such Order shall not cause an Order not be a Final Order.

"GAAP" means, at a given time, United States generally accepted accounting principles, consistently applied.

"Governmental Authority" means any United States federal, state or local or any foreign government, governmental regulatory or administrative authority, agency or commission or any court, tribunal or judicial or arbitral body, including the Bankruptcy Court.

"Intellectual Property" means any and all worldwide rights in and to all intellectual property (whether arising under statutory or common law, contract, or otherwise), which includes all of the following: (a) inventions, discoveries, processes, designs, techniques, developments and related improvements whether or not patentable; (b) Patents; (c) Trademarks, trade dress, trade names, Domain Names, corporate names, fictitious names, translations of any of the foregoing and any foreign or international equivalent of any of the foregoing and all goodwill associated therewith and any applications and/or registrations in connection with the foregoing; (d) Trade Secrets; (e) Customer Lists; (f) rights associated with works of authorship, including Copyrights, design rights, rights in databases, and website and social media site content; and (g) social media accounts.

"Inventory" means all inventory of any kind or nature, whether or not prepaid, and wherever located, held, or owned by any Seller as the same exists on the Closing Date.

"Knowledge of Sellers" means the actual knowledge, information and belief of the Sellers' senior executive officers, without inquiry, in their respective capacity as senior executive officers of the Sellers only and not in their personal capacity or in any other capacity, and without personal liability, as of the date of this Agreement.

"License" shall have the meaning set forth in Section 4.6(b) hereof.

"Lien" or "Liens" means any lien (statutory or otherwise), hypothecation, encumbrance, Claim, liability, security interest, interest, mortgage, pledge, restriction, charge, instrument, license, preference, priority, security agreement, easement, covenant, encroachment, option, right of recovery, Tax, or Order of any Governmental Authority.

"Limited" has the meaning set forth in the Preamble hereto.

"Limited GC" has the meaning set forth in the Preamble hereto.

"Names" means "The Limited" and "Limited Stores" with and without design, and any variations of the foregoing, including any similar trade names, symbols, trademarks, service marks, and logos used or available for use by either Seller or any of their Affiliates engaged in the conduct of the Business.

"Order" means any decree, order, injunction, rule, judgment, or consent of or by any Governmental Authority.

"Patents" means U.S. and foreign patents, patent applications, provisional applications and patents issuing therefrom, as well as any continuations, continuations-in-part, divisions, extensions, reexaminations, reissues, renewals, patent disclosures, inventions, or improvements thereto and any foreign or international equivalent of any of the foregoing.

"Permits" means licenses, permits, approvals, certificates of occupancy, authorizations, operating permits, registrations, plans, and the like.

"Permitted Liens" means (i) statutory liens for current property Taxes and assessments not yet due and payable, including liens for *ad valorem* Taxes and statutory liens not yet due and payable, and (ii) licenses of or other contractual rights with respect to Intellectual Property.

"Person" means any corporation, partnership, joint venture, limited liability company, organization, entity, authority, or natural person.

"Personal Information" means a natural Person's name, street address, telephone number, e-mail address, social security number, driver's license number, passport number, credit card number, or user or account number, or any other piece of information that, individually or when combined with other information, allows the identification of a natural Person or is otherwise considered personally identifiable information or personal data protected under any applicable Regulation.

"Petition Date" has the meaning set forth in the Recitals hereto.

"Prepetition Loan Documents" means the "Loan Documents" as defined in that certain Term Loan Agreement, dated as of December 20, 2011, between Limited Stores, LLC, as the lead borrower for the borrowers named therein, the Facility Guarantors (as defined therein), Cerberus Business Finance, LLC, as administrative agent and collateral agent, and the lenders from time to time named therein (as amended, restated, supplemented, or otherwise modified from time to time prior to the Petition Date).

"Proposed Allocation" has the meaning set forth in Section 3.4 hereof.

"Purchase Price" has the meaning set forth in Section 3.1(a) hereof.

"Purchaser" has the meaning set forth in the Preamble hereto.

"Regulation" means any law, statute, regulation, ruling, or Order of, administered or enforced by or on behalf of, any Governmental Authority.

"Revised Statement" has the meaning set forth in Section 3.4 hereof.

"Sale Hearing" means the hearing of the Bankruptcy Court to approve this Agreement and the transactions contemplated herein, as the same may be continued from time to time.

"Sale Motion" has the meaning set forth in Section 6.3(a) hereof.

"Sale Order" means the order of the Bankruptcy Court, in form and substance reasonably acceptable to Purchaser and Sellers, to be entered by the Bankruptcy Court pursuant to Sections 363 and 365 of the Bankruptcy Code and providing for, among other things, the application of the proceeds of the Cash Portion of the Purchase Price in accordance with any Order of the Bankruptcy Court in effect authorizing the Sellers' entry into any DIP Credit Agreement.

"Schedules" means the schedules attached hereto (including, without limitation, the Disclosure Schedules).

"Seller" or "Sellers" has the meaning set forth in the Preamble hereto.

"Tax" means all federal, state, local, county, foreign, and other taxes, assessments, or other government charges, including any interest, penalties, or additions to Tax or additional amounts in respect of the foregoing.

"Tax Return" means any report, return, declaration, claim for refund relating to Taxes, including any schedules or attachments thereto and any amendments thereof.

"Taxable Consideration" has the meaning set forth in Section 3.4 hereof.

"Trade Secrets" means trade secrets and other confidential or proprietary information, including confidential or proprietary methods, processes, practices, formulas, designs, assembly procedures, and specifications.

"Trademark" means U.S. and foreign trademarks, service marks, designs, logos, brand names, product names, slogans, and other indicia of source, including U.S. and foreign trademark registrations and applications for registration, and foreign equivalents, all common law rights therein, and all rights to register and obtain renewals and extensions of trademark registrations, together with all trademark rights accruing by reason of any international trademark treaty.

"Transaction Documents" means this Agreement and all other agreements, instruments, certificates, and other documents to be entered into or delivered by any party in connection with the transactions contemplated to be consummated pursuant to this Agreement.

Section 1.2 Rules of Construction. Unless the context otherwise clearly indicates, in this Agreement:

- (a) accounting terms which are not otherwise defined in this Agreement have the meanings given to them under GAAP. To the extent that the definition of an accounting term defined in this Agreement is inconsistent with the meaning of such term under GAAP, the definition set forth in this Agreement will control;
- (b) "hereof," "herein," and "hereunder" and terms of similar import are references to this Agreement as a whole and not to any particular provision of this Agreement;
- (c) "including" has the inclusive meaning frequently identified with the phrase "but not limited to" or "without limitation";
- (d) "may not" is prohibitive and not permissive;
- (e) "or" is used in the inclusive sense of "or";
- (f) the singular includes the plural;
- (g) references herein to a specific section, subsection, clause, recital, schedule or exhibit shall refer, respectively, to sections, subsections, clauses, recitals, schedules or exhibits of this Agreement, unless otherwise specified;
- (h) "dollars" or "\$" mean dollars in the lawful currency of the United States of America and all payments made pursuant to this Agreement shall be in United States dollars;
- (i) references to any period of days shall be deemed to be the relevant number of calendar days, unless otherwise specified;

(j) if the last day for the giving of any notice or the performance of any act required or permitted under this Agreement is a day that is not a Business Day, then the time for the giving of such notice or the performance of such action shall be extended to the next succeeding Business Day;

(k) with respect to the determination of any period of time, the word "from" or "since" means "from and including" or "since and including," as applicable, and the words "to" and "until" each means "to and including"; and

(l) references herein to any gender shall include each other gender.

ARTICLE II

PURCHASE AND SALE; ASSUMPTION OF CERTAIN LIABILITIES

Section 2.1 Purchase and Sale of Assets.

(a) Subject to the terms and conditions set forth in this Agreement (including the entry of the Sale Order), at the Closing, each Seller shall sell, contribute, convey, assign, transfer and deliver to Purchaser, free and clear of all Liens (except for the Assumed Obligations and Permitted Liens), and Purchaser shall purchase, acquire and take assignment and delivery of, for the consideration specified in Section 3.1, all of Sellers' properties, assets, rights, titles and interests in, to, and under (i) all Intellectual Property of any Seller (excluding any licenses of commercially available software), including the Names and each Seller's Intellectual Property listed on Schedule 2.1(a)(i) attached hereto (the "Acquired Intellectual Property"), including all rights and remedies related thereto (including the right to sue for past, present, or future infringement, misappropriation, dilution or other violation relating to any of the foregoing and other remedies against infringement of any of the foregoing, and rights to protection of interests of the foregoing under all Regulations); (ii) all of Sellers' rights existing under the Contracts listed on Schedule 2.1(a)(ii) attached hereto and all of Sellers' rights existing under the Added Assumed Executory Contracts (collectively, the "Assumed Executory Contracts"); (iii) Sellers' other assets listed on Schedule 2.1(a)(iii) attached hereto; and (iv) all Avoidance Actions with respect to MGF Sourcing US, LLC or any of its subsidiaries and all rights thereunder (the assets described in the preceding clauses (i) through (iv), including those listed on Schedule 2(a)(i), Schedule 2.1(a)(ii), and Schedule 2.1 (a)(iii), and subject to Section 2.5, collectively, the "Acquired Assets").

(b) All of the Acquired Assets shall be sold, assigned, transferred, conveyed, and delivered to Purchaser free and clear of all Liens (other than Permitted Liens), whether arising prior to or subsequent to the Petition Date.

(c) Sellers' properties, assets, rights, titles and interests that are not Acquired Assets shall be retained by Sellers and are not being sold or assigned to Purchaser hereunder.

Section 2.2 Assignment and Assumption of Liabilities.

(a) Subject to the terms and conditions set forth in this Agreement, at the Closing, Purchaser shall assume and agree to discharge when due in accordance with their respective terms and subject to the respective conditions thereof the obligations under the Assumed Executory Contracts (including Cure Costs) (collectively, the "Assumed Obligations"); provided that Purchaser shall have the right, by written notice delivered to Sellers at any time during the period from and after the date hereof and until the Closing Date, to add or delete any Contract from Schedule 2.1(a)(ii), it being understood that (i) any such Contract deleted by Purchaser from such Schedule 2.1(a)(ii) may subsequently be rejected by Sellers in the Chapter 11 Cases, (ii) any such deleted Contract shall cease to be an Assumed Executory Contract and Purchaser shall have no obligation to pay any Cure Costs with respect thereto, and (iii) any such Contract added by Purchaser to such Schedule 2.1(a)(ii) (each such added Contract, an "Added Assumed Executory Contract") shall be an Assumed Executory Contract and Purchaser shall pay any Cure Costs with respect thereto; provided further, that prior to rejecting any Contract that is not then on Schedule 2.1(a)(ii), Sellers shall provide Purchaser no less than five (5) Business Days' notice of their intent to reject any such Contract to provide Purchaser with an opportunity to add such Contract to Schedule 2.1(a)(ii) if Purchaser so desires. Notwithstanding anything in this Agreement to the contrary, no additions to Schedule 2.1(a)(ii) pursuant to this Section 2.2 shall be deemed to modify any representations or warranties or any covenants of any Seller for purposes of determining whether or not the conditions to Closing set forth in ARTICLE IX have been satisfied.

(b) Notwithstanding anything in this Agreement to the contrary, Sellers hereby acknowledge and agree that Purchaser is not assuming from Sellers, or is in any way responsible for, any other obligations, Claims, or liabilities of Sellers that are not Assumed Obligations.

Section 2.3 Deemed Consents and Cures. For all purposes of this Agreement (including all representations and warranties of Sellers contained herein), Sellers shall be deemed to have obtained all required consents in respect of the assignment of any Assumed Executory Contract if, and to the extent that, pursuant to the Sale Order or other Bankruptcy Court Order, Sellers are authorized to assume and assign to Purchaser the Assumed Executory Contracts pursuant to section 365 of the Bankruptcy Code and any applicable Cure Cost has been satisfied by Purchaser on behalf of Sellers, as provided herein.

Section 2.4 Obligations in Respect of Required Consents. To the extent any Assumed Executory Contract requires the payment of Cure Costs in order to be assumed pursuant to section 365 of the Bankruptcy Code, at the Closing (or as soon as reasonably practicable thereafter) the Cure Costs related to such Assumed Executory Contract shall be paid by Purchaser (after giving effect to the consummation of the transactions contemplated hereby); provided, however, that with respect to any Cure Costs that are not finally determined as of the Closing in accordance with the Sale Order, by Bankruptcy Court Order or by the agreement of Purchaser and the counterparty to the applicable Contract, such Cure Costs shall be paid by Purchaser as such Cure Costs become finally established in accordance with the Sale Order, by Final Order or by agreement of Purchaser and the counterparty to such Contract. Each Seller

agrees that it will promptly take such actions as are reasonably necessary or desirable to obtain a Final Order of the Bankruptcy Court providing for the assumption by such Seller of the Assumed Executory Contracts of such Seller and the assignment to Purchaser of such Assumed Executory Contracts.

Section 2.5 Restrictions in Respect of Customer Lists. To the extent that the transfer and assignment of any Acquired Assets that constitute Customer Lists (or any Personal Information contained therein) would result in the violation, breach or default under any Data Security Requirements, such Customer Lists (or Personal Information contained therein) shall be deemed excluded from the Acquired Assets, and not transferred or assigned under this Agreement, until such time, if any, as actions can be taken to prevent such violation, breach or default.

ARTICLE III BASIC TRANSACTION

Section 3.1 Purchase Price.

(a) The aggregate purchase price for the Acquired Assets (the "Purchase Price") shall be (i) an amount in cash equal to \$25,750,000 (the "Cash Portion"), and (ii) the assumption of the Assumed Obligations.

(b) At the Closing:

(i) Purchaser shall be assigned the Acquired Assets and Assumed Obligations and shall pay by wire transfer to Sellers an amount in cash equal to (A) the Cash Portion, minus (B) the Deposit.

(ii) Purchaser shall pay the aggregate amount of Cure Costs associated with the Assumed Executory Contracts in accordance with Section 2.4.

(c) Payments made pursuant to this Section 3.1 shall be allocated among the assets purchased in accordance with Section 12.1.

Section 3.2 Deposit.

(a) Upon the execution hereof, Purchaser, the Sellers, and the Escrow Agent shall enter into an escrow agreement (the "Escrow Agreement"), and in accordance therewith, Purchaser shall immediately deposit with the Escrow Agent an amount equal to 5% of the Cash Portion of the Purchase Price by wire transfer of immediately available funds into an account designated by the Escrow Agent (the "Deposit"), to be released and delivered (together with all accrued investment income thereon) by the Escrow Agent to either Purchaser or the Sellers, as applicable, as follows, in each case in accordance with the Escrow Agreement:

(i) if the Closing shall occur, the Deposit shall be paid by the Escrow Agent to the Sellers and applied towards the Purchase Price payable by Purchaser

to the Sellers under Section 3.1(a) and all accrued investment income thereon shall be delivered to Purchaser at the Closing;

(ii) if this Agreement is terminated by Sellers pursuant to Section 11.1(d), the Deposit, together with all accrued investment income thereon, shall be released to Sellers within five (5) Business Days of such termination;

(iii) if this Agreement is terminated for any reason (other than a termination by Sellers pursuant to Section 11.1(d)), the Deposit, together with all accrued investment income thereon, shall be returned to the Purchaser within five (5) Business Days of such termination.

(b) The Deposit shall form no part of the Sellers' Chapter 11 estate under Section 541(a) of the Bankruptcy Code or otherwise, and the Sellers shall claim no right, title or interest in the Deposit other than as set forth herein.

Section 3.3 Further Assurances. From time to time after the Closing and without further consideration, (i) Sellers, upon the request of Purchaser, shall execute and deliver such documents and instruments of conveyance and transfer as Purchaser may reasonably request in order to consummate the purchase and sale of the Acquired Assets as contemplated hereby, and (ii) Purchaser, upon the request of Sellers, shall execute and deliver such documents and instruments of contract assumption as Sellers may reasonably request in order to confirm Purchaser's liability for the obligations specifically assumed hereunder. From and for ninety (90) days after the Closing and without further consideration, Sellers, upon the written request of Purchaser, shall cause the respective employees and representatives of Sellers, to the extent such employees and representatives are still employed or retained by Sellers after the Closing, to cooperate with all reasonable requests of Purchaser to effectively transfer all and any portion of the Acquired Assets to Purchaser (e.g., transferring data files and other information technology files). For clarity, Sellers shall not be responsible for any costs or expenses (including filing fees and attorneys' or other professional fees) associated with recording or perfecting the transfer and assignment of the Acquired Intellectual Property from Sellers to Purchaser.

Section 3.4 Allocation of Purchase Price. Within thirty (30) days after the Closing Date, Purchaser shall prepare and deliver to Sellers an allocation of the Purchase Price, the Assumed Obligations, and any other items that are treated as additional purchase price for income Tax purposes (the "Taxable Consideration") among the Acquired Assets in accordance with Section 1060 of the Code (the "Proposed Allocation"). Sellers shall have thirty (30) days after receipt of the Proposed Allocation to notify Purchaser in writing of any items of the Proposed Allocation that are not reasonable in Sellers' view. If Sellers do not object in writing during such thirty (30) day period, then the Proposed Allocation shall be final and binding on all parties. If Sellers object in writing during such thirty (30) day period, then the parties hereto shall cooperate in good faith to reach a mutually agreeable allocation of the Taxable Consideration, which allocation shall be binding on all parties. If the parties hereto are unable to reach an agreement within sixty (60) days of Sellers' receipt of the Proposed Allocation, then any disputed items shall be disposed of by the Bankruptcy Court, unless otherwise agreed to by Purchaser and Sellers. The final allocation as determined pursuant to this Section 3.4 shall be referred to as the "Allocation." In accordance with such binding allocation, Purchaser shall

prepare and deliver to Sellers copies of Form 8594 and any required exhibits thereto (the "Asset Acquisition Statement"). Purchaser shall prepare and deliver to Sellers (or their designated successors) from time to time revised copies of the Asset Acquisition Statement (the "Revised Statements") so as to report any matters on the Asset Acquisition Statement that need updating, consistent with the agreed upon allocation. The parties hereto shall, and shall cause their respective controlled Affiliates to, use the allocations set forth in the Asset Acquisition Statement or, if applicable, the last Revised Statement, for all Tax purposes and to file all Tax Returns in a manner consistent with such allocation statement and take no position contrary thereto, in each case, unless required to do so by applicable Tax laws or good faith resolution of a Tax contest. For the avoidance of doubt, the foregoing Allocation shall not preclude nor shall be deemed to preclude the Sellers from utilizing a different allocation of sale proceeds for non-Tax purposes in connection with one or more chapter 11 plans filed in the Chapter 11 Cases.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF SELLERS

Section 4.1 Sellers' Representations and Warranties. Sellers jointly and severally represent and warrant to Purchaser that the statements contained in this ARTICLE IV are correct and complete as of the date of this Agreement, except as expressly set forth in the disclosure schedules delivered by Sellers to Purchaser on the date hereof (the "Disclosure Schedules"). The information disclosed in any numbered part is intended to relate to and to qualify the particular representation or warranty set forth in the corresponding numbered section in this Agreement; provided, that any event, fact or circumstance disclosed in the Disclosure Schedules shall be deemed to be a disclosure for each other section of this Agreement to the extent it is reasonably apparent from the face of such disclosure that it would also qualify such other section.

Section 4.2 Power and Authority; Validity of Agreement. Subject to entry of the Sale Order, each Seller has full power and authority to execute and deliver the Transaction Documents to which it is a party and to consummate the transactions contemplated thereby. No other corporate or organizational proceedings on the part of any Seller is necessary to approve and authorize the execution and delivery of the Transaction Documents to which such Seller is a party and the consummation of the transactions contemplated thereby. All Transaction Documents to which any Seller is a party have been duly executed and delivered by such Seller, except such Transaction Documents that are required by the terms hereof to be executed and delivered by such Seller after the date hereof, in which case such Transaction Documents will be duly executed and delivered by such Seller at or prior to the Closing, and, subject to any necessary authorization from the Bankruptcy Court and to the due authorization, execution and delivery of such Transaction Documents by the other parties thereto, all such Transaction Documents constitute, or will constitute, as the case may be, the valid and binding agreements of such Seller, enforceable against such Seller in accordance with their terms.

Section 4.3 Organization and Standing. Each Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the state of its formation and, except where the failure to obtain such qualification would not reasonably be expected to have a material adverse effect, is qualified to do business in every jurisdiction in which it is required to be qualified.

Section 4.4 No Conflicts or Violations. Subject to any necessary authorization of the Bankruptcy Court, except as set forth on Schedule 4.4 attached hereto, and to the extent any of the foregoing is not enforceable due to operation of the Sale Order, the execution, delivery and performance of the Transaction Documents to which any Seller is a party and the consummation of the transactions contemplated thereby by such Seller do not and shall not (i) require any authorization, consent, approval, exemption or other action by or notice or declaration to, or filing with, any Governmental Authority or (ii) (A) conflict with or result in any breach of any of the terms, conditions or provisions of, (B) constitute a default under, or (C) result in a violation of the provisions of the articles of formation, the limited liability company agreement, or other constitutive documents of Sellers.

Section 4.5 Title to Assets.

(a) Except as set forth on Schedule 4.5(a) attached hereto, Sellers have title to the Acquired Assets.

(b) Subject to entry of the Sale Order, Sellers have the power and the right to sell, assign and transfer, and Sellers will sell and deliver to Purchaser, and upon consummation of the transactions contemplated by this Agreement, Purchaser will acquire title to the Acquired Assets, free and clear of all Liens other than Permitted Liens.

(c) This Agreement and the other Transaction Documents contemplated hereby, when duly executed and delivered by each Seller to Purchaser in accordance with and as approved by the Sale Order, will effectively vest in Purchaser title to the Acquired Assets, subject only to the Assumed Obligations and Permitted Liens.

Section 4.6 Intellectual Property.

(a) Schedule 4.6(a) sets forth a true, correct and complete list of all U.S. and foreign (i) issued Patents and pending applications for Patents; (ii) registered Trademarks and pending applications for Trademarks; (iii) registered Copyrights and pending applications for Copyrights; (iv) Domain Names, (v) social media accounts, in each case which is owned by, or registered to, a Seller. Except as set forth on Schedule 4.6(a), Sellers are the sole record owners (or registered users, as applicable) of all of the material Intellectual Property set forth on Schedule 4.6(a) that constitutes Acquired Intellectual Property and all such Intellectual Property is subsisting and, to the Knowledge of Sellers, valid and enforceable.

(b) Schedule 4.6(b) sets forth a true, correct, and complete list of all material licenses, sublicenses or other Contracts to which a Seller is a party or otherwise bound pursuant to which a Seller has been granted or has obtained any license to use any Intellectual Property (other than Contracts granting rights to use commercially available software with a total replacement cost of less than \$250,000) (each, a "License"). Except as otherwise disclosed on Schedule 4.6(b), each License that constitutes an Acquired Asset is in full force and effect and is a valid and binding obligation of the Seller party thereto, and to the Knowledge of Sellers, the other parties thereto, in accordance with its terms and conditions, except as enforceability may be limited by bankruptcy, insolvency

or other similar laws affecting the enforcement of creditors' rights generally. Upon entry of the Sale Order and payment of the Cure Costs, to the Knowledge of Sellers, (A) no Seller will be in breach or default of its obligations under any License, (B) no condition exists that with notice or lapse of time or both would constitute a default by a Seller under any of the Licenses, and (C) to the Knowledge of Sellers, no other party to any of the Licenses is in breach or default thereunder, except in the cases of clauses (A), (B), and (C) for any breaches or defaults that would not reasonably be expected to have a material adverse effect.

(c) Except as disclosed on Schedule 4.6(c), (i) there are no material actions, suits, complaints, charges, proceedings, Orders, investigations, or Claims pending, or to the Knowledge of Sellers, threatened in writing against any Seller, alleging that the conduct of the Business by Sellers as currently conducted with respect to the Acquired Intellectual Property infringes or misappropriates, dilutes or otherwise violates any Person's Intellectual Property, (ii) to the Knowledge of Sellers, the conduct of the Business by Sellers as currently conducted with respect to Acquired Intellectual Property does not materially infringe or misappropriate, dilute or otherwise violate any Person's Intellectual Property, and (iii) to the Knowledge of Sellers, no Person is materially infringing, misappropriating, diluting or otherwise violating any Intellectual Property owned by any Seller.

Section 4.7 Brokers. Except as set forth on Schedule 4.7 attached hereto, no Seller has incurred any liability to any broker, finder or agent with respect to the payment of any commission regarding the consummation of the transactions contemplated hereby and in the other Transaction Documents.

Section 4.8 No Other Representations or Warranties.

(a) Except for the representations and warranties contained in this ARTICLE IV, Purchaser acknowledges and agrees that no Seller nor any other Person on behalf of any Seller (including Sellers) makes any other express or implied representation or warranty with respect to Sellers (including representations and warranties as to the condition of the Acquired Assets or the Business) with respect to any other information provided to Purchaser. No Seller nor any other Person will have or be subject to any liability or indemnification obligation to Purchaser or any other Person resulting from the distribution to Purchaser, or use by Purchaser of, any such information, including any information, documents, projections, forecasts or other material made available to Purchaser in certain "data rooms", confidential information memoranda or management presentations in expectation of the transactions contemplated by this Agreement.

(b) In connection with investigation by Purchaser, Purchaser has received or may receive from Sellers or Persons on behalf of Sellers (including Sellers and Sellers' other representatives) certain projections, forward-looking statements and other forecasts and certain business plan information. Purchaser acknowledges and agrees that (i) there are uncertainties inherent in attempting to make such estimates, projections and other forecasts and plans, (ii) Purchaser is familiar with such uncertainties, (iii) Purchaser is taking full responsibility for making its own evaluation of the adequacy and accuracy of

all estimates, projections and other forecasts and plans so furnished to it (including the reasonableness of the assumptions underlying such estimates, projections, forecasts or plans), and (iv) that Purchaser shall have no claim against anyone (including Sellers) with respect thereto. Accordingly, Purchaser acknowledges and agrees that no Seller and no Person on behalf of Sellers (including Sellers) makes any representation or warranty with respect to such estimates, projections, forecasts or plans (including the reasonableness of the assumptions underlying such estimates, projections, forecasts or plans).

ARTICLE V REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to Sellers as follows as of the date of this Agreement:

Section 5.1 Power and Authority; Validity of Agreement. Purchaser has full power and authority to execute and deliver the Transaction Documents to which it is a party and to consummate the transactions contemplated thereby. No other corporate or organizational proceedings on the part of Purchaser are necessary to approve and authorize the execution and delivery of the Transaction Documents to which Purchaser is a party and the consummation of the transactions contemplated thereby. All Transaction Documents to which Purchaser is a party have been duly executed and delivered by Purchaser, except such Transaction Documents that are required by the terms hereof to be executed and delivered by Purchaser after the date hereof, in which case such Transaction Documents will be duly executed and delivered by Purchaser at or prior to the Closing, and, subject to any necessary authorization from the Bankruptcy Court and to the due authorization, execution and delivery of such Transaction Documents by the other parties thereto, all such Transaction Documents constitute, or will constitute, as the case may be, the valid and binding agreements of Purchaser, enforceable against Purchaser in accordance with their terms.

Section 5.2 Organization. Purchaser is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware.

Section 5.3 No Conflicts or Violations. Subject to any necessary authorization of the Bankruptcy Court, the execution, delivery and performance of the Transaction Documents to which Purchaser is a party and the consummation of the transactions contemplated thereby by Purchaser do not and shall not (i) require any authorization, consent, approval, exemption or other action by or notice or declaration to, or filing with, any Governmental Authority or (ii) (A) conflict with or result in any breach of any of the terms, conditions or provisions of, (B) constitute a default under or (C) result in a violation of (1) the provisions of the articles of incorporation, by-laws, or other constitutive documents of Purchaser or (2) any material indenture, mortgage, lease, loan agreement or other material agreement or instrument to which Purchaser is bound or affected or any law, statute, rule, Regulation or Order to which Purchaser is subject, except in clause (2), as would not reasonably be expected to have a material adverse effect.

Section 5.4 Brokers. Purchaser has incurred no liability to any broker, finder or agent with respect to the payment of any commission regarding the consummation of the transactions contemplated hereby and in the other Transaction Documents.

Section 5.5 Purchaser's Acknowledgment. Purchaser is not aware of any facts or circumstances, which (with or without notice or lapse of time or both) would cause any representations or warranties of any Seller to be untrue or incorrect in any respect.

Section 5.6 Acquired Assets "AS IS", Purchaser's Acknowledgment Regarding Same. Purchaser agrees, warrants and represents that, except as set forth in this Agreement, (i) Purchaser is purchasing the Acquired Assets on an "AS IS" and "WITH ALL FAULTS" basis based solely on Purchaser's own investigation of the Acquired Assets, and (ii) neither Sellers, nor any broker, agent, officer, employee, servant, attorney or representative of Sellers has made any warranties, representations or guarantees, express, implied or statutory, written or oral, respecting the Acquired Assets or the Business or any part of the Acquired Assets or the Business relating to the financial performance of the Acquired Assets, the Business, or the physical condition of the Acquired Assets. Purchaser further acknowledges and agrees that the Purchase Price has been agreed upon by Sellers and Purchaser after good-faith, arms-length negotiation in light of Purchaser's agreement to purchase the Acquired Assets "AS IS" and "WITH ALL FAULTS". Purchaser agrees, warrants, and represents that, except as set forth in this Agreement, Purchaser has relied, and shall rely, solely upon Purchaser's own investigation of all such matters and that Purchaser assume all risks with respect thereto. EXCEPT AS SET FORTH IN THIS AGREEMENT, NO PERSON ON BEHALF OF ANY SELLER (INCLUDING SELLERS) MAKES ANY EXPRESS WARRANTY, WARRANTY OF MERCHANTABILITY, WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE OR ANY IMPLIED OR STATUTORY WARRANTY WHATSOEVER WITH RESPECT TO ANY REAL OR PERSONAL PROPERTY, ANY FIXTURES OR THE ACQUIRED ASSETS OR THE BUSINESS.

Section 5.7 Financial Capability. Purchaser (i) has as of the date of this Agreement, and will have at Closing, sufficient funds or financing available to pay the Cash Portion of the Purchase Price and any expenses incurred by Purchaser in connection with the transactions contemplated by this Agreement and the Transaction Documents, (ii) has as of the date of this Agreement, and will have at Closing, the resources and capabilities (financial or otherwise) to perform Purchaser's obligations hereunder, and (iii) has not incurred any obligation, commitment, restriction, or liability of any kind, that would impair or adversely affect such resources and capabilities.

ARTICLE VI COVENANTS OF SELLERS; OTHER AGREEMENTS

Section 6.1 Consents and Approvals. Each of the parties shall use commercially reasonable efforts to obtain any authorizations, consents and approvals of any Governmental Authority in connection with the matters contemplated by this Agreement and the other Transaction Documents. From the date of this Agreement until the Closing or earlier termination of this Agreement, each Seller shall provide, and shall cause its employees and representatives to provide, during regular business hours and upon reasonable notice (to the extent such employees and representatives are still employed or retained by Sellers at such time), all reasonable cooperation in connection with the following, to the extent and only to the extent related to the Acquired Assets and the consummation of the transactions contemplated hereby: (i) knowledge transfer from the employees and representatives of the Sellers to Purchaser and its employees

and representatives that is reasonably requested to expedite and implement the successful transfer of the Acquired Assets, (ii) providing copies of documentation such as training manuals, and procedures, needed to use or exploit the Acquired Assets; and (iii) coordinating with Purchaser's selected vendors to communicate any information that is required by such vendors to support any necessary requirements for new systems to operate the Acquired Assets after the Closing. For clarity, Sellers shall not be responsible for any costs or expenses (including filing fees and attorneys' or other professional fees) associated with recording or perfecting the transfer and assignment of the Acquired Intellectual Property from Sellers to Purchaser.

Section 6.2 Further Assurances.

(a) Sellers will use commercially reasonable efforts to obtain the entry of the Sale Order on the Bankruptcy Court's docket as soon as practicable and no later than the thirtieth (30th) day from the Petition Date and will use their commercially reasonable efforts to timely obtain any other consent required for the consummation of the transactions contemplated by this Agreement as soon as practicable.

(b) Sellers shall execute such documents and use commercially reasonable efforts to take or cause to be taken all action and do or cause to be done all things necessary or proper to consummate the transactions contemplated by this Agreement. Sellers shall use commercially reasonable efforts to fulfill or obtain the fulfillment of the conditions set forth in ARTICLE VIII of this Agreement.

(c) Without the prior written consent of Purchaser (which consent shall not be unreasonably withheld, conditioned or delayed), from the date hereof until the Closing or earlier termination of this Agreement, neither Seller shall (i) sell, assign, transfer, convey, pledge, mortgage, lease, license, or otherwise dispose of or encumber any of the Acquired Assets, or any interests therein (other than the abandonment of trademark registrations or applications for registration due to non-use or that are identified on Schedule 4.6(a) as not being renewed by Sellers); (ii) grant any licenses or other rights to or under any Acquired Intellectual Property or abandon, permit to lapse or otherwise dispose of any Acquired Intellectual Property (other than the abandonment of trademark registrations or applications for registration due to non-use or that are identified on Schedule 4.6(a) as not being renewed by Sellers); or (iii) amend, modify, terminate, permit to lapse or otherwise waive any rights under any Assumed Executory Contract.

Section 6.3 Bankruptcy Actions.

(a) On the Petition Date, Sellers shall file and serve a motion (together with supporting papers and with proper notice thereof) on interested parties as required by the Bankruptcy Code and Bankruptcy Rules (the "Sale Motion") seeking entry of the Bid Protections Order and the Sale Order on the Bankruptcy Court's docket no later than the tenth (10th) day and the thirtieth (30th) day, respectively, after the Petition Date, and Sellers shall use commercially reasonable efforts to set a hearing with respect to the matters set forth in the Sale Motion. The Sale Motion shall:

(i) seek the Bankruptcy Court's approval of this Agreement, Sellers' performance under this Agreement, and the assumption and the assignment of the Assumed Executory Contracts without adequate assurance of future performance liability pursuant to section 365(f)(2) of the Bankruptcy Code, except Purchaser's promise to perform following the Closing obligations under the Assumed Executory Contracts; and

(ii) identify the Assumed Executory Contracts (as set forth on Schedule 2.1(a)(ii) attached hereto, as the same may be modified pursuant to Section 2.2) by (A) the date of the Assumed Executory Contracts (if available), and (B) the name and address of the other parties to the Assumed Executory Contracts as an exhibit to the Sale Motion. Such exhibit shall set forth the related Cure Costs under each of such Assumed Executory Contracts as determined by Sellers based on the Books and Records; provided, in cases which Sellers are unable to establish that a default exists, the relevant cure amount shall be set at \$0.00.

(b) Sellers will provide Purchaser with a reasonable opportunity to review and comment upon all material motions, applications (other than applications seeking to retain professional advisors), notices, schedules and supporting papers prepared by Sellers (including forms of orders) prior to the filing thereof in the Chapter 11 Cases with respect to the transactions contemplated hereby, all of which shall be reasonably acceptable to Purchaser.

(c) Promptly after filing the Sale Motion on the Bankruptcy Court's docket, Sellers shall serve notice (in form and substance reasonably acceptable to Purchaser) on all parties to whom service of such notice is required or advisable pursuant to the Bankruptcy Code (including all parties to the Assumed Executory Contracts and all Persons who would appear as potentially holding a Lien on any search conducted to determine those Persons asserting a Lien on the Acquired Intellectual Property, and all Persons with pending or threatened claims with respect to any Acquired Asset to whom service of the Sale Notice (as defined in the proposed Sale Order) is required or advisable pursuant to the Bankruptcy Code), disclosing the salient terms of this Agreement, the identity of Purchaser and the transactions contemplated hereby.

Section 6.4 Superior Offers. From the date of this Agreement until the Petition Date or earlier termination of this Agreement, none of the Sellers shall (nor shall they permit any of their respective Affiliates or representatives to), directly or indirectly, solicit any inquiry, proposal or offer with any Person with respect to an Alternative Transaction; provided that Purchaser agrees and acknowledges that Sellers and their representatives and Affiliates may continue to respond to any unsolicited inquires, proposals or offers for the Acquired Assets in connection with any Alternative Transaction. From and after the Petition Date, Purchaser agrees and acknowledges that Sellers and their representatives and Affiliates may then continue soliciting inquiries, proposals or offers for the Acquired Assets in connection with any Alternative Transaction.

Section 6.5 Intellectual Property License. Purchaser hereby grants to Sellers a royalty free license within the United States only, with the right to grant sublicenses to its agents, to use the Trademarks and Customer Lists (subject to applicable Data Security Requirements) included in the Acquired Intellectual Property solely in connection with (i) the marketing, promotion, distribution, and sale of the Inventory, effective upon the Closing and continuing for 30 days thereafter and (ii) winding down the Business and operations of Sellers, effective upon the Closing and continuing for six (6) months thereafter; provided, that in exercising such license with respect to the use of such Trademarks, Sellers shall (and shall require their agents to) uphold quality standards substantially the same as those maintained with respect to products sold under the Trademarks included in the Acquired Intellectual Property prior to the Closing. For the avoidance of doubt, Sellers shall have no right to manufacture (or have manufactured) any additional products following the Closing that bear or otherwise use the Trademarks. Immediately after the Closing, except as, and only to the extent expressly permitted under and in accordance with this Section 6.5, each Seller shall, and shall cause each of its Affiliates to, cease using the Names, any name similar thereto or constituting an abbreviation or extension thereof and any other trademarks, trade names, service marks, corporate names, trade names, trade dress, logos or symbols, in each case, included in the Acquired Intellectual Property.

ARTICLE VII COVENANTS OF PURCHASER

Section 7.1 Further Assurances. Purchaser shall execute such documents and take such further actions as may be reasonably requested by Sellers to carry out the provisions of this Agreement and the transactions contemplated hereby. Purchaser shall use commercially reasonable efforts to fulfill or obtain the fulfillment of the conditions set forth in ARTICLE IX of this Agreement.

Section 7.2 Taxes. Any sales, use, purchase, transfer, franchise, deed, fixed asset, stamp, documentary stamp, use, or other Taxes and recording charges due and which may be payable by reason of the sale of the Acquired Assets or the assumption of the Assumed Obligations under this Agreement or the transactions contemplated herein shall be borne and timely paid fifty percent (50%) by Purchaser and fifty percent (50%) by Sellers.

Section 7.3 Adequate Assurance Regarding Assumed Executory Contracts. As adequate assurance of the future performance of the Assumed Executory Contracts, Purchaser covenants (A) to perform following the Closing the obligations under each Assumed Executory Contract, and (B) as Sellers may reasonably request prior to the assignment of the Assumed Executory Contracts to Purchaser, to provide reasonably requested evidence sufficient to demonstrate Purchaser's ability to perform such obligations under the Assumed Executory Contracts.

ARTICLE VIII
CONDITIONS PRECEDENT TO OBLIGATIONS OF PURCHASER

The obligations of Purchaser under this Agreement are, at the option of Purchaser, subject to satisfaction or waiver of the following conditions precedent on or before the Closing Date.

Section 8.1 Warranties True as of Both Present Date and Closing Date; Covenants.

(a) Each of the representations and warranties of Sellers contained herein shall be true and correct in all material respects (except with respect to representations and warranties of Sellers qualified as to materiality, which shall be true and correct in all respects) on and as of the Closing Date (except for representations and warranties made as of a specified date, which shall be true and correct as of that date) with the same force and effect as though made on and as of the Closing Date.

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

Section 8.2 Bankruptcy Condition. The Bankruptcy Court shall have entered the Bid Protections Order and the Sale Order (as provided in ARTICLE VI) and the Sale Order shall be a Final Order and be in form and substance reasonably satisfactory to Purchaser.

Section 8.3 No Order. No Governmental Authority shall have enacted, issued, promulgated or entered any Order which is in effect and has the effect of making illegal or otherwise prohibiting the consummation of the transactions contemplated hereby.

Section 8.4 Approvals. All terminations or expirations of waiting periods imposed (and any extension thereof) by any Governmental Authority necessary for the transactions contemplated under this Agreement, if any, shall have occurred.

Section 8.5 Closing Deliveries. Sellers shall have delivered to Purchaser a certificate signed by each Seller, dated the date of the Closing Date, certifying that the conditions specified in Section 8.1(a) and Section 8.1(b) have been satisfied as of the Closing.

ARTICLE IX
CONDITIONS PRECEDENT TO OBLIGATIONS OF SELLERS

The obligations of Sellers under this Agreement are, at the option of Sellers, subject to the satisfaction or waiver of the following conditions precedent on or before the Closing Date.

Section 9.1 Warranties True as of Both Present Date and Closing Date.

(a) The representations and warranties of Purchaser contained herein shall be true and correct in all material respects (except with respect to representations and

warranties of Sellers qualified as to materiality, which shall be true and correct in all respects) on and as of the Closing Date (except for representations and warranties made as of a specified date, which shall be true and correct as of that date in all material respects) with the same force and effect as though made by Purchaser on and as of the Closing Date.

(b) Purchaser shall have performed and complied in all material respects with the obligations and covenants required by this Agreement to be performed or complied with by Purchaser on or prior to the Closing Date.

Section 9.2 Bankruptcy Court Approval. The Bankruptcy Court shall have entered the Sale Order (as provided in ARTICLE VI) and the Sale Order shall be in form and substance reasonably satisfactory to Sellers.

Section 9.3 No Order. No Governmental Authority shall have enacted, issued, promulgated or entered any Order which is in effect and has the effect of making illegal or otherwise prohibiting the consummation of the transactions contemplated hereby.

Section 9.4 Consideration. Purchaser shall have delivered to Sellers the Purchase Price.

Section 9.5 Approvals. All terminations or expirations of waiting periods (and any extension thereof) imposed by any Governmental Authority necessary for the transactions contemplated under this Agreement, if any, shall have occurred.

Section 9.6 Closing Deliveries. Purchaser shall have delivered to Sellers a certificate signed by Purchaser, dated the date of the Closing (in form and substance reasonably satisfactory to Seller) certifying that the conditions specified in Section 9.1(a) and Section 9.1(b) above have been satisfied as of the Closing.

ARTICLE X CLOSING

Section 10.1 Closing. Upon the terms and subject to the satisfaction of the conditions set forth in ARTICLE VIII and ARTICLE IX in this Agreement, the closing of the transaction contemplated by this Agreement (the "Closing") will take place at the offices of Klehr Harrison Harvey Branzburg LLP, 919 N. Market St. Suite 1000, Wilmington, DE 19801 at 10:00 A.M. Central Standard Time no later than the first Business Day after the date on which the conditions set forth in ARTICLE VIII and ARTICLE IX have been satisfied or waived; or on such other date or place as Purchaser and the Sellers may determine (the "Closing Date").

Section 10.2 Deliveries by Seller. At the Closing, Sellers shall deliver or procure delivery to Purchaser each of the following:

(a) physical possession of all of the Acquired Assets (other than any Intellectual Property);

(b) one or more bills of sale, in form reasonably satisfactory to the parties hereto, conveying in the aggregate all of the owned personal property of Sellers included in the Acquired Assets, duly executed by Sellers;

(c) one or more Intellectual Property assignments for registered Intellectual Property set forth on Schedule 2.1(a)(i), in form reasonably satisfactory to the parties hereto, duly executed by the relevant Seller or Sellers;

(d) one or more assignments and assumptions of the Assumed Obligations (collectively, the "Assignment and Assumption"), in form reasonably satisfactory to the parties hereto, duly executed by the relevant Seller or Sellers;

(e) copies of the certificate set forth in Section 8.5;

(f) a certified copy of the Sale Order; and

(g) such other instruments as are reasonably requested by Purchaser and otherwise necessary to consummate the transactions contemplated hereby.

Section 10.3 Deliveries by Purchaser. At the Closing, Purchaser will deliver to Sellers:

(a) the Assignment and Assumption duly executed by Purchaser;

(b) the Purchase Price;

(c) copies of the certificate set forth in Section 9.6; and

(d) such other instruments as are reasonably requested by Sellers and otherwise necessary to consummate the transactions contemplated hereby.

Section 10.4 Form of Instruments. To the extent that a form of any document to be delivered hereunder is not attached as an Exhibit hereto, such documents shall be in form and substance, and shall be executed and delivered in a manner, reasonably satisfactory to Purchaser and Sellers.

ARTICLE XI TERMINATION

Section 11.1 Termination. This Agreement may be terminated prior to the Closing as follows:

(a) by mutual written agreement of Purchaser and Sellers;

(b) by either Purchaser or Sellers if there shall be in effect an applicable law or Final Order restraining, enjoining, or otherwise prohibiting the consummation of the transactions contemplated hereby; provided, that the right to terminate this Agreement under this Section 11.1(b) shall not be available to any party whose breach of this

Agreement shall have been the cause of, or shall have resulted in the Final Order that restrains, enjoins, or prohibits the consummation of the transactions contemplated hereby;

(c) by Purchaser (provided that Purchaser is not then in material breach of any representation, warranty, covenant, or other agreement contained herein), if there shall have been a material breach or misrepresentation of any of the representations or warranties or a material breach of any of the covenants set forth in this Agreement on the part of Sellers, which breach is not cured within ten (10) Business Days following written notice to Sellers or which breach, by its nature, cannot be cured prior to the Closing;

(d) by Sellers (provided that no Seller is then in material breach of any representation, warranty, covenant, or other agreement contained herein), if there shall have been a material breach or misrepresentation of any of the representations or warranties or a material breach of any of the covenants set forth in this Agreement on the part of Purchaser, which breach is not cured within ten (10) Business Days following written notice to Purchaser or which breach, by its nature, cannot be cured prior to the Closing;

(e) by Purchaser (provided that Purchaser is not then in material breach of any representation, warranty, covenant or other agreement contained herein) if it shall have reasonably determined that one or more conditions set forth in ARTICLE VIII has not been or cannot be fulfilled or satisfied prior to the date specified in such condition (if such condition specifies a date other than the Closing Date by which such condition must be satisfied);

(f) by Purchaser if Sellers consummate an Alternative Transaction (other than to or by Purchaser or an Affiliate of Purchaser);

(g) by Sellers if Sellers consummate an Alternative Transaction (other than to or by Purchaser or an Affiliate of Purchaser);

(h) by Sellers (provided that no Seller is then in material breach of any representation, warranty, covenant or other agreement contained herein) if it shall have reasonably determined that one or more conditions set forth in ARTICLE IX has not been or cannot be fulfilled or satisfied prior to the date specified in such condition (if such condition specifies a date other than the Closing Date by which such condition must be satisfied);

(i) by Purchaser, if (A) the Bid Protections Order shall not have been entered by the Bankruptcy Court by the close of business on the date that is seventeen (17) days following the Petition Date (or by such later date as shall be mutually agreed to by Purchaser and Sellers in writing), provided that Purchaser's termination right pursuant to this Section 11.1(i)(A) may only be exercised by Purchaser within five (5) days following such date, (B) following its entry, the Bid Protections Order shall fail to be in full force and effect or shall have been stayed, reversed, or modified or (C) the Sellers fail to file voluntary petitions under chapter 11 of title 11 of the United States Code prior to 7:00 a.m., prevailing Eastern Time, on January 17, 2017;

(j) by Purchaser, if (A) the Sale Order shall not have been entered by the Bankruptcy Court by the close of business on the date that is thirty-eight (38) days following the Petition Date (or by such later date as shall be mutually agreed to by Purchaser and Sellers in writing), provided that Purchaser's termination right pursuant to this Section 11.1(j)(A) may only be exercised by Purchaser within five (5) days following such date, or (B) following its entry, the Sale Order shall fail to be in full force and effect or shall have been stayed, reversed, or modified;

(k) by either Purchaser or Sellers on any day on or after the date that is sixty (60) days following the Petition Date if the Closing shall not have been consummated by such date (or by such later date as shall be mutually agreed to by Purchaser and Sellers in writing), provided, however, that the right to terminate this Agreement under this Section 11.1(k) shall not be available to any party whose failure to fulfill any material obligation under this Agreement has been the cause of, or resulted in, the failure of the Closing to occur on or before such date;

(l) by Purchaser, in the event that any Chapter 11 Case is dismissed or converted to a case or cases under Chapter 7 of the Bankruptcy Code, or if a trustee or examiner with expanded powers beyond those set forth in section 1106(a)(3) and (4) of the Bankruptcy Code is appointed in any Chapter 11 Case; and

(m) by Purchaser, in the event that the aggregate amount of Cure Costs exceeds the Cure Cap; provided that Purchaser may not terminate this Agreement pursuant to this Section 11.1(m) if, within ten (10) Business Days following written notice to Sellers, Sellers agree, in their sole and absolute discretion to pay such excess from the Cash Portion of the Purchase Price.

Section 11.2 Effect of Termination.

(a) In the event of termination of this Agreement by Purchaser or Sellers, except as otherwise provided in this Section 11.2, all rights and obligations of the parties under this Agreement shall terminate without any liability of any party to any other party. The provisions of Section 3.2, Section 3.4, Section 12.1, Section 13.1, Section 13.7, Section 13.8, Section 13.9, Section 13.10, Section 13.11 and Section 13.12 shall expressly survive the termination or expiration of this Agreement.

(b) Notwithstanding in the event of the foregoing but without limiting Sellers' rights under Section 13.8, in the event of a termination by Sellers pursuant to Section 11.1(d), Sellers shall be entitled to retain the Deposit (together with interest accrued thereon) as damages against Purchaser in all respects for any claim against Purchaser arising under this Agreement or otherwise; provided, that Sellers' remedies shall not be limited nor be deemed limited to the Deposit.

(c) In the event of a termination of this Agreement pursuant to Section 11.1 (other than by Sellers pursuant to Section 11.1(d)), Sellers shall instruct the Escrow Agent to return to Purchaser the Deposit (together with interest accrued thereon) in accordance with Section 3.2.

(d) In the event that this Agreement is terminated by any Party pursuant to Section 11.1 (other than by Sellers pursuant to Section 11.1(d)), then, subject to Section 11.2(f), Purchaser shall be entitled to the payment of, and Sellers shall promptly, and in any event within five (5) Business Days after such termination, pay Purchaser in immediately available funds for, all out-of-pocket fees and expenses (including professional's fees and expenses) incurred by Purchaser and its Affiliates prior to termination of this Agreement in connection with their investigation (including due diligence), preparation, negotiation and attempted consummation of the transactions contemplated by this Agreement, in an aggregate amount not to exceed \$500,000 (the "Expense Reimbursement").

(e) (i) In the event that this Agreement is terminated pursuant to Section 11.1(b), Section 11.1(c), Section 11.1(e), Section 11.1(f), Section 11.1(g), Section 11.1(h) (unless such termination is on account of the failure to be satisfied of the conditions set forth in Section 9.1, Section 9.4, or Section 9.6 to the extent provided for in such Section 11.1(h)), Section 11.1(j), Section 11.1(k), Section 11.1(l), or Section 11.1(m) and (ii) any Seller consummates (or enters into an agreement with respect to) an Alternative Transaction (which, for the avoidance of doubt, shall include seeking or having confirmed a plan of reorganization) within the twelve (12) months following any such termination, then, subject to Section 11.2(f), Sellers shall pay Purchaser in immediately available funds a break-up fee of 3% of the Cash Portion of the Purchase Price (the "Break-Up Fee") concurrently with, and from the first cash proceeds of any such Alternative Transaction received upon, the consummation of any such Alternative Transaction.

(f) The obligations of Sellers to pay the Break-Up Fee and/or Expense Reimbursement (A) shall be entitled to administrative expense claim status under Sections 503(b)(1)(A) and 507(a)(2) of the Bankruptcy Code and shall have priority over any and all administrative expenses of a kind specified in sections 503(b) and 507(a) of the Bankruptcy Code and to the extent applicable, shall be paid concurrently with, and from the first cash proceeds of any Alternative Transaction received upon the consummation of any Alternative Transaction, (B) shall not be subordinate to any other administrative expense claim against Sellers, and (C) shall survive the termination of this Agreement in accordance with Section 11.2. Notwithstanding anything herein to the contrary, Sellers' obligations to pay the Break-Up Fee and/or Expense Reimbursement (and the administrative expense claim status of such Break-Up Fee and/or Expense Reimbursement) shall be junior to any claims or obligations of the Sellers arising under any Order of the Bankruptcy Court authorizing the Sellers' entry into any debtor-in-possession credit agreement(s), if any (the "DIP Credit Agreement"), and all claims or obligations of Sellers arising under the Prepetition Loan Documents. Sellers shall seek the approval of the Break-Up Fee and Expense Reimbursement as set forth in this paragraph and this Agreement in the Bid Protections Order.

**ARTICLE XII
ADDITIONAL POST-CLOSING COVENANTS**

Section 12.1 Tax Matters. Purchaser and Sellers shall report and file all Tax Returns (including amended Tax Returns and claims for refund) consistent with the Allocation, and shall take no position contrary thereto or inconsistent therewith (including, without limitation, in any audits or examinations by any Governmental Authority or any other proceeding). Purchaser and Sellers shall cooperate in the filing of any forms (including Form 8594 under section 1060 of the Code) with respect to such Allocation. Notwithstanding any other provision of this Agreement, the terms and provisions of this Section 12.1 shall survive the Closing.

**ARTICLE XIII
MISCELLANEOUS**

Section 13.1 Expenses. Except for Sellers' obligations with respect to the payment of the Break-Up Fee and Expense Reimbursement, each party hereto shall bear its own costs and expenses, including attorneys' fees, with respect to the transactions contemplated hereby. Notwithstanding the foregoing, in the event of any action or proceeding to interpret or enforce this Agreement, the prevailing party in such action or proceeding (i.e., the party who, in light of the issues contested or determined in the action or proceeding, was more successful) shall be entitled to have and recover from the non-prevailing party such costs and expenses (including, without limitation, all court costs and reasonable attorneys' fees) as the prevailing party may incur in the pursuit or defense thereof.

Section 13.2 Amendment. Except as provided herein, any provision of this Agreement or the Disclosure Schedules or exhibits hereto may be amended or waived only in a writing signed by Purchaser and Sellers; provided, that any such amendment or waiver that is materially adverse to the lenders under the DIP Credit Agreement or the Prepetition Loan Documents shall require such lender's prior written consent (not to be unreasonably withheld).

Section 13.3 Notices. Except as otherwise expressly provided herein, all notices, demands, and other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given (a) when personally delivered, (b) when transmitted via telecopy (or other facsimile device) to the number set out below or transmitted by electronic mail if the sender on the same day sends a confirming copy of such notice by a recognized overnight delivery service (charges prepaid), (c) the day following the day (except if not a Business Day, then the next Business Day) on which the same has been delivered prepaid to a reputable national overnight air courier service or (d) the third (3rd) Business Day following the day on which the same is sent by certified or registered mail, postage prepaid, in each case to the respective parties hereto at the address set forth below, or at such other address as such party may specify by written notice to the other party hereto:

To Seller: Limited Stores, LLC
7775 Walton Parkway,
New Albany, OH 43054
Attention: Tim Boates
Facsimile: (734) 520-6779
Email: tboates@rasmanagement.com

with copy to: Klehr Harrison Harvey Branzburg LLP
919 N. Market St. Suite 1000
Wilmington, DE 19801
Attn: Domenic E. Pacitti and Michael P. Rittinger
Facsimile: 302-426-9193 and 215-568-6603
Email: dpacitti@klehr.com and mrittinger@klehr.com

To Purchaser, to: Limited IP Acquisition LLC
c/o Kirkland & Ellis LLP
300 North LaSalle Street
Chicago, IL 60654
Attn: James A. Stempel
Fax: (312) 862-2200
E-mail: james.stempel@kirkland.com

Section 13.4 Waivers. The failure of a party hereto at any time or times to require performance of any provision hereof shall in no manner affect its right at a later time to enforce the same. No waiver by a party of any condition or of any breach of any term, covenant, representation or warranty contained in this Agreement shall be effective unless in writing by Sellers, in the case of a waiver by any Seller, or Purchaser, in the case of any waiver by Purchaser, and no waiver in any one or more instances shall be deemed to be a further or continuing waiver of any such condition or breach of other instances or a waiver of any other condition or breach of any other term, covenant, representation or warranty.

Section 13.5 Electronic Delivery; Counterparts. This Agreement and any signed agreement or instrument entered into in connection with this Agreement, and any amendments hereto or thereto, may be executed in one (1) or more counterparts, all of which shall constitute one and the same instrument. Any such counterpart, to the extent delivered by means of a facsimile machine or by .pdf, .tif, .gif, .jpeg or similar attachment to electronic mail (any such delivery, an "Electronic Delivery") shall be treated in all manner and respects as an original executed counterpart and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto, each other party hereto or thereto shall re execute the original form of this Agreement and deliver such form to all other parties hereto. No party hereto shall raise the use of Electronic Delivery to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of Electronic Delivery as a defense to the formation of a contract, and each such party forever waives any such defense, except to the extent such defense relates to lack of authenticity.

Section 13.6 Headings. The headings preceding the text of the Articles and Sections of this Agreement and the Exhibits and the Schedules are for convenience only and shall not be deemed part of this Agreement.

Section 13.7 SUBMISSION TO JURISDICTION. THE PARTIES HEREBY AGREE THAT ANY AND ALL CLAIMS, ACTIONS, CAUSES OF ACTION, SUITS, AND PROCEEDINGS RELATING TO THIS AGREEMENT OR THE OTHER AGREEMENTS CONTEMPLATED HEREIN SHALL BE FILED AND MAINTAINED ONLY IN THE BANKRUPTCY COURT, AND THE PARTIES HEREBY CONSENT TO THE JURISDICTION OF THE BANKRUPTCY COURT.

Section 13.8 Specific Performance. Each party acknowledges and agrees that (i) irreparable damage would occur in the event that any of the provisions of this Agreement are not performed in accordance with specific terms or are otherwise breached, and (ii) remedies at law would not be adequate to compensate the other party. Accordingly, each party agrees that the other party shall have the right, in addition to any other rights and remedies existing in its favor (including the release of the Deposit to Sellers, if applicable), to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce its rights and obligations hereunder not only by an action or actions for damages but also by an action or actions for specific performance, injunctive relief and/or other equitable relief. The right to equitable relief, including specific performance or injunctive relief, shall exist notwithstanding, and shall not be limited by, any other provision of this Agreement. Each party hereby waives any defense that a remedy at law is adequate and any requirement to post bond or other security in connection with actions instituted for injunctive relief, specific performance or other equitable remedies.

Section 13.9 Governing Law. All issues and questions concerning the construction, validity, interpretation and enforceability of this Agreement and the Exhibits and Schedules hereto, and all claims and disputes arising hereunder or thereunder or in connection herewith or therewith, whether purporting to sound in contract or tort, or at law or in equity, shall be governed by, and construed in accordance with, the laws of the State of Delaware, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

Section 13.10 Binding Nature; Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, but neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto without prior written consent of the other parties (which consent shall not be unreasonably withheld or delayed).

Section 13.11 No Third Party Beneficiaries. Except as set forth herein, this Agreement is solely for the benefit of the parties hereto and nothing contained herein, express or implied, is intended to confer on any Person other than (i) the parties hereto or their successors and permitted assigns, (ii) Sellers, any rights, remedies, obligations, Claims, or causes of action under or by reason of this Agreement, and (iii) with respect to the definition of Sale Order in

Section 1.1, Section 11.2(f), and Section 13.2, the lenders under the DIP Credit Agreement and the Prepetition Loan Documents.

Section 13.12 Materiality; Disclosure Schedules. As used in this Agreement, unless the context would require otherwise, the terms "material" or "material to Sellers" and the concept of "material" nature of an effect upon Sellers shall be measured relative to the entire Business, taken as a whole. There likely will be, however, included in the Disclosure Schedules and may be included elsewhere in this Agreement items which are not "material" within the meaning of the immediately preceding sentence in order to avoid any misunderstanding, and such inclusion shall not be deemed to be an agreement by Sellers that such items are "material" or to further define the meaning of such term for purposes of this Agreement.

Section 13.13 Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to this Agreement to express their mutual intent, and no rule of strict construction shall be applied against any party. The headings of the sections and paragraphs of this Agreement have been inserted for convenience of reference only and shall in no way restrict or otherwise modify any of the terms or provisions hereof. The Recitals form an integral part of this Agreement and are incorporated by reference into this Agreement as if they were fully restated herein. In the event a subject matter is addressed in more than one (1) representation and warranty in ARTICLE IV, Purchaser shall be entitled to rely only on the most specific representation and warranty addressing such matter. The specification of any dollar amount or the inclusion of any item in the representations and warranties contained in this Agreement, the Disclosure Schedules or Exhibits is not intended to imply that the amounts, or higher or lower amounts, or the items so included, or other items, are or are not required to be disclosed (including whether such amounts or items are required to be disclosed as material or threatened) or are within or outside of the ordinary course of business, and no party shall use the fact of the setting of the amounts or the fact of the inclusion of any item in this Agreement, the Disclosure Schedules, or Exhibits in any dispute or controversy between the parties hereto as to whether any obligation, item or matter not set forth or included in this Agreement, the Disclosure Schedules, or Exhibits is or is not required to be disclosed (including whether the amount or items are required to be disclosed as material or threatened) or is within or outside of the ordinary course of business for purposes of this Agreement. In addition, matters reflected in the Disclosure Schedules are not necessarily limited to matters required by this Agreement to be reflected in the Disclosure Schedules. Such additional matters are set forth for informational purposes only and do not necessarily include other matters of a similar nature. The information contained in this Agreement, in the Disclosure Schedules, and Exhibits hereto is disclosed solely for purposes of this Agreement, and no information contained herein or therein shall be deemed to be an admission by any party hereto to any third party of any matter whatsoever (including any violation of law or breach of contract). Any reference to any federal, state, local or foreign statute or law shall be deemed also to refer to all rules and Regulations promulgated thereunder, unless the context requires otherwise.

Section 13.14 Entire Understanding. This Agreement, the Exhibits, the Schedules, and the other Transaction Documents set forth the entire agreement and understanding of the parties hereto in respect to the transactions contemplated hereby and this Agreement, the Exhibits, the Schedules, and the other Transaction Documents supersede all prior agreements, arrangements

and understandings relating to the subject matter hereof and are not intended to confer upon any other Person any rights or remedies hereunder.

Section 13.15 Closing Actions. All deliveries, payments and other transactions and documents relating to the Closing shall be interdependent, and none shall be effective unless and until all are effective (except to the extent that the party entitled to the benefit thereof has waived satisfaction or performance thereof as a condition precedent to the Closing).

Section 13.16 Conflict Between Transaction Documents. The parties hereto agree and acknowledge that to the extent any terms and provisions of this Agreement are in any way inconsistent with or in conflict with any term, condition or provision of any other agreement or document referred to herein, this Agreement shall govern and control.

Section 13.17 No Survival. The representations, warranties and covenants which require performance prior to the Closing of Sellers and Purchaser contained in this Agreement or in any instrument delivered in connection herewith shall not survive the Closing. Notwithstanding the foregoing, the covenants and agreements that by their terms are to be satisfied after the Closing Date, shall survive until satisfied in accordance with their terms.

* * * * *

IN WITNESS WHEREOF, the parties hereto have caused this Asset Purchase Agreement to be executed and delivered on the date first above written.

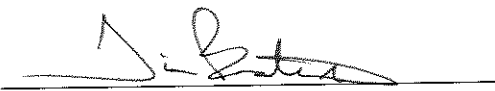
PURCHASER:

LIMITED IP ACQUISITION LLC

By: 
Name: Stefan Kaluzny
Its: President

SELLERS:

LIMITED STORES, LLC

By: 
Name: Timothy Boates
Its: Chief Restructuring Officer

THE LIMITED STORES GC, LLC


By: 
Name: Timothy Boates
Its: Chief Restructuring Officer

EXHIBIT D

Savini Declaration

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

)	
In re:	)	Chapter 11
LIMITED STORES COMPANY, LLC, <i>et al.</i> , ¹	)	Case No. 17-10124 (___)
)	
Debtors.	)	(Joint Administration Requested)
)	

**DECLARATION OF DURC SAVINI
IN SUPPORT OF THE DEBTORS’ SALE MOTION**

I, Durc Savini, being duly sworn, state the following under penalty of perjury:

1. I am above 18 years of age, and I am competent to testify. I am a Senior Managing Director of Guggenheim Securities, LLC (“Guggenheim”), an investment bank that maintains an office at 330 Madison Avenue, New York, New York 10017. Guggenheim has been retained by the Debtors as their investment bank in connection with these chapter 11 cases.

2. Except as otherwise indicated, all facts set forth in this declaration (the “Declaration”) are based upon my personal knowledge of the Debtors’ operations and finances, information learned from my review of relevant documents, and information supplied by members of the Debtors’ management, and the Debtors’ other advisors. If called upon to testify, I could and would testify competently to the facts set forth herein on that basis.²

3. I am authorized to submit this Declaration on the Debtors’ behalf, in support of the *Debtors Motion for Entry of (I) an Order (A) Approving Form and Manner of Notices,*

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: Limited Stores Company, LLC (6463); Limited Stores, LLC (0165); and The Limited Stores GC, LLC (6094). The location of the Debtors’ service address is: 7775 Walton Parkway, Suite 400, New Albany, Ohio 43054.

² Certain disclosures herein relate to matters within the personal knowledge of other professionals at Guggenheim and are based on information provided by them.

(B) Scheduling a Bid Protections Hearing, an Auction, a Sale Hearing, and Establishing Dates and Deadlines Related Thereto, (C) Approving Procedures for the Assumption and Assignment of Executory Contracts, and (D) Granting Related Relief; (II) an Order (A) Approving Certain Bid Protections in Connection with the Sale of Certain of the Debtors' Assets and (B) Granting Related Relief, and (III) an Order (A) Approving the Asset Purchase Agreement Between the Debtors and the Purchaser, (B) Authorizing the Sale of Certain of the Debtors' Assets Free and Clear of Liens, Claims, Encumbrances, and Interests, (C) Authorizing the Assumption and Assignment of Contracts, and (D) Granting Related Relief (the "Sale Motion"), to which this Declaration is attached as **Exhibit D**.³ In particular, I offer this Declaration in support of the Debtors' decision to enter into the Purchaser APA, to agree to the sale timeline contemplated therein, and to agree to certain Bid Protections associated therewith. As set forth below, I believe that the Debtors' entry into the Purchaser APA and agreement to the sale timeline contemplated therein and the Bid Protections are sound exercises of the Debtors' business judgment and both the Purchaser APA and the Bid Protections reflect reasonable terms that are the product of arms-length negotiations.

**Consummation of the Sale and Entry into the Purchaser APA
is a Sound Exercise of the Debtors' Business Judgment**

4. The Debtors' marketing efforts with respect to the Assets date back to mid-2015. At that time, the Debtors received an offer to enter into a joint venture (the "2015 JV Offer") pursuant to which the Debtors would sell a majority interest in the Intellectual Property to a potential buyer (the "2015 JV Buyer"). The transaction anticipated that the Debtors and the 2015 JV Buyer would then develop new sales channels, including wholesale, that would be

³ Capitalized terms used but not defined herein shall have the meanings set forth in the Sale Motion, the Sale Notice Order (attached as **Exhibit A** to the Sale Motion), the Bid Protections Order (attached as **Exhibit B** to the Sale Motion), or the Sale Order (attached as **Exhibit C** to the Sale Motion), as applicable.

complementary to the company's existing brick and mortar and e-commerce businesses. The Debtors determined to reject the 2015 JV Offer, after which they entered into discussions with the 2015 JV Buyer and a third-party retail partner regarding the sale of the Debtors' entire business as a going concern. Ultimately, the parties were unable to negotiate an acceptable purchase price. Based on the Debtors' projections for the remainder of 2015 and 2016, the Debtors decided to forgo transaction opportunities at that time and revisit a potential transaction the following year.

5. The Debtors significantly underperformed their projections during 2016. After receiving an inquiry from the 2015 JV Buyer in September 2016, the Debtors elected to revisit the idea of monetizing their Intellectual Property, including through a construct similar to the 2015 JV Offer. Based in part on the financial performance of the Debtors' brick and mortar business, the Debtors believed at the time—and continue to believe—that selling or otherwise monetizing the Intellectual Property was the most likely path to maximizing the value of the Debtors' assets for the benefit of its stakeholders. Nevertheless, the Debtors also elicited proposals from potentially interested parties for the sale of the Debtors' entire business. In addition to engaging with the 2015 JV Buyer, the Debtors, with Guggenheim's assistance, initially solicited bids from three other potential buyers, two of whom signed non-disclosure agreements (“NDAs”) and were provided access to confidential information regarding the Debtors' Intellectual Property, business, and other assets.

6. As a result of these efforts, the Debtors received one written, non-binding indication of interest to purchase a majority stake in a joint venture involving the Debtors' Intellectual Property.

7. As the Debtors' operating performance continued to deteriorate, in late October 2016, the Debtors adjusted their marketing efforts, and began exploring sale transactions potentially involving a chapter 11 process. During this phase of the sale process, Guggenheim, on the Debtors' behalf reached out to 27 potential purchasers (including those that the Debtors had previously contacted). These potential purchasers included both financial and strategic counterparties, as well as entities that specialize in the liquidation of distressed retailers. Nineteen potential purchasers signed NDAs (or had already signed NDAs) and were provided access to confidential information about the Debtors and their assets, including the Assets that are the subject of the Sale Motion. The Debtors ultimately received five non-binding indications of interest from potential purchasers. Generally, all bids received by the Debtors during this time period contemplated the liquidation of the Debtors' existing inventory coupled with a separate sale of the Intellectual Property. Despite certain parties expressing verbal interest in a going concern transaction involving the Debtors' brick and mortar business, no party submitted a non-binding written indication of interest contemplating such a transaction.

8. After analyzing the bids received during this later process, the Debtors determined that a separate sale of the Intellectual Property, along with the pre-filing liquidation of the Debtors' remaining inventory would maximize the value of their assets for the benefit of their creditors. Accordingly, in mid-December 2016, the Debtors engaged Hilco Merchant Resources, LLC to assist with the liquidation of existing inventory and winding down the Debtors' brick and mortar locations and shifted focus to further marketing the Intellectual Property. Ultimately, two parties submitted written, non-binding indications of interest for the Intellectual Property and entered into formal asset purchase agreement negotiations with the Debtors. After several weeks of negotiations and further due diligence, the process culminated

in a bidding contest among those parties that resulted in the purchase price increasing by approximately 72%. The Purchaser prevailed, and on January 12, 2017, the Selling Debtors entered into the Purchaser APA, based on their firm belief that the Purchaser APA will maximize value for their estates.

9. In my judgment, consummating the Sale and entry into the Purchaser APA is in the best interests of the Debtors' estates and a sound exercise of the Debtors' business judgment. As set forth herein, the terms of the Sale and the Purchaser APA are the product of arm's-length negotiations, and a comprehensive and extended marketing process. The Purchaser is not affiliated with the Debtors in any way and has proceeded in good faith during the entirety of the Sale negotiation process. In light of the Sale negotiation process described above, I believe that proceeding with the Sale on the proposed timeline is in the best interest of the Debtors, their estates, and all parties in interest.

**The Proposed Bid Protections and Sale Procedures
Are Appropriate Under the Circumstances**

10. The Purchaser APA contemplates Bid Protections in the form of an expense reimbursement (in an amount not to exceed \$500,000) and a three percent (3%) break-up fee. The Purchaser also demanded the timeline for the Sale set forth in the Purchaser APA and Sale Motion, as described in more detail below. The Bid Protections were a necessary component of the Purchaser's bid and I do not believe that the Purchaser would have submitted a proposal, let alone permitted such proposal to be subject to superior offers postpetition, without the Bid Protections. Accordingly, I believe that the benefit and value of the Purchaser APA outweighs the cost associated with the Bid Protections in the event of an overbid, and such overbid will compensate the Debtors for such costs.

11. Further, I believe that consummation of the Sale in accordance with the timeframe contemplated in the Sale Motion is reasonable and will maximize the value of the Assets and otherwise inure to the benefit of their estates. As set forth above, the Intellectual Property has been marketed extensively since 2015 and was the subject of a comprehensive auction process just prior to the commencement of these cases, which, in my judgment resulted in the highest and best value for the Intellectual Property. During the comprehensive auction process, both bidders insisted on similarly prompt timelines and deadlines as part of the sale. Significantly, the Purchaser may terminate the Purchaser APA if the Bid Protection Order is not entered before February 3, 2017 and the Sale Order is not entered before February 24, 2017. The Debtors negotiated in good faith to extend the originally proposed deadlines, and were successful in pushing those deadlines back several days; but, ultimately, a prompt timeline proved to be a critical and non-negotiable deal point for both buyers. After concluding the prepetition marketing and auction process, the Debtors determined, in their business judgment, that the Purchaser's offer represented the highest and best bid available, and that, despite the fast timeline, the Purchaser APA would likely result in a superior outcome for the Debtors' estates than would the alternative—letting both potential buyers walk away and starting a new sale process.

12. Accordingly, I believe that the proposed timeline is reasonable based upon the aforementioned process and the facts and circumstances of these cases, no parties in interest will be prejudiced by the proposed sale process, and that the Sale Hearing Notice and timeline is reasonably calculated to provide interested parties with sufficient notice of the Bid Protections Hearing, the Assumption Procedures, the Sale and the Sale Hearing. Also, in light of the extensive prepetition marketing process, during which numerous parties signed NDA's and

conducted diligence, I believe that a longer process would not materially increase the Debtors' prospects of receiving a higher or better offer. It is speculative at this point whether extending the process would benefit the estate, and the cost and delay arising from a longer process could result in an inferior result and potentially allow the Purchaser to decline to participate.

13. Consequently, the proposed sale timeframe, in my opinion, strikes the correct balance of providing reasonable notice under the facts and circumstances here, while assuring that the highest value in the form of the Purchaser APA will be achieved. Similarly, the "first day" relief sought by the Sale Motion, which consists of approval of certain dates, deadlines, and notices, is, in my opinion, narrowly tailored to provide as much notice as possible to parties (including contract counterparties) of the bid protections, the sale, the objection and overbid deadlines, the likely overbid requirements, and the treatment of executory contracts and unexpired leases, while still adhering to the Purchaser's imposed deadlines.

14. For all the reasons set forth herein, I believe that the proposed Bid Protections and procedures related to Consummation of the Sale are the product of good-faith arms-length negotiations, will not hamper bidding, are reasonable and appropriate relative to the size, nature, and complexity of the proposed transaction, and should be approved.

[Remainder of page intentionally left blank]

Pursuant to 28 U.S.C. § 1746, I declare under penalty and perjury that the foregoing is correct and true to the best of my knowledge and belief.

New York, New York
Dated: January 17, 2017

/s/ Durc Savini

Durc Savini
Senior Managing Director
Guggenheim Securities, LLC