

# SALE GUIDELINES

The following procedures shall apply to any Sales to be held at the Stores:

1. The Sales shall be conducted during hours consistent with operating hour provisions contained in the applicable leases and the Agent also shall abide by any applicable mall guidelines regarding maintenance, security, and trash removal. To the extent not inconsistent with these Sale Guidelines or any order of the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") in respect of the Sales, the Merchant and the Agent shall comply with all relevant lease provisions including, without limitation, any provision (i) regarding the maintenance of insurance and (ii) regarding the use of loading docks and other common areas.

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

3. The Agent shall not distribute handbills, leaflets or other written materials to customers outside of any stores' premises, unless permitted by the Lease or if distribution is customary in the shopping center in which such store is located. Otherwise, the Agent may solicit customers in the stores themselves. The Agent shall not use flashing lights or any type of amplified sound to advertise the Sales or solicit customers.

4. At the conclusion of the Sales, the Agent shall vacate the stores in a broom-clean condition in accordance with the Agency Agreement, and shall leave the stores in the same condition as on the commencement of the Sales, ordinary wear and tear expected; provided, however, that the Merchant shall be authorized to leave Abandoned Property (as that term is defined herein) in the stores.

5. No permanent fixtures may be removed without the landlords' written consent. No property of any landlord of a store shall be removed or sold during the Sales. Removal of other furniture, fixtures and equipment shall take place before or after the regular hours of the store or shopping center and through service or other exits and corridors designated by the landlord. The Merchant may abandon any of the Merchant's trade fixtures or other materials of de minimus value (the "Abandoned Property") not sold in the Sales at the store premises at the conclusion of the Sales. Any Store fixtures left in the Stores after a lease is rejected shall be deemed abandoned with the landlord having the right to dispose of the same as the landlord chooses without any liability whatsoever on the part of the landlord and without waiver of any damage claims against Merchant.

6. The Merchant/Agent shall not conduct auctions at the stores.

7. All display and hanging signs used by the Agent in connection with the Sales shall be professionally produced and all hanging signs shall be hung in a professional manner. All front window signs shall be set back at least one foot from the window and will be no larger than 3'x 5'. The Agent shall not use the terms "bankruptcy court authorized," "bankruptcy," or

"Going-Out-Of-Business" or "Lost our Lease" in any advertisement for the Sales. To the extent authorized by the Bankruptcy Court, Agent may advertise the Sales as a "store closing" sale at the Stores. The Agent shall not use neon or day-glo signs. Furthermore, with respect to enclosed mall locations no exterior signs or signs in common area of a mall shall be used. Nothing contained herein shall be construed to create or impose upon the Agent any additional restrictions not contained in the applicable Lease. In addition, the Agent shall be permitted to utilize exterior banners at non-enclosed mall stores; provided, however, that such banners shall be located or hung so as to make clear that the Sales are being conducted only at the Closing Store and shall not be wider than the storefront of the Closing Store.

8. If the Sales are to be considered "final," conspicuous signs shall be posted in each of the affected stores to the effect that all sales are "final."

9. No alterations shall be made to the Stores, except as authorized pursuant to the Lease. The hanging of exterior banners or other signage shall not constitute an alteration to a Closing Store; provided however, Agent shall be responsible for repairing any damage caused to the façade in connection with hanging or removal of such banners.

10. The Agent shall keep store premises and surrounding area clear and orderly consistent with present practices.

11. The Merchant shall provide the landlords of the stores with five (5) days' notice of the conclusion of the Sales. The landlords of the stores shall have reasonable access to the store premises upon conclusion of the Sales solely for the purpose of dressing store windows to minimize the appearance of a dark store. Any such dressing shall not be deemed an acceptance by the landlord of surrender of premises. A lease shall only be deemed rejected at such time as notice has been given in compliance with any order of the Bankruptcy Court.

12. The Merchant and Agent shall each designate a party to be contacted by landlords should an issue arise concerning the conduct of the sales. Debtors' representative: Jonathan Friedland, Esq., Kirkland & Ellis LLP, 200 East Randolph Drive, Suite 5400, Chicago, Illinois 60601 (Tel: 312.861.2280); Agent's representative: Adam Rogoff, Esq., Kronish Lieb Weiner & Hellman LLP, 1114 Avenue of the Americas, New York, New York 10036 (Tel: 212.479.6420).