

EXHIBIT A
Bid Procedures

NAILITE INTERNATIONAL, INC.

BID PROCEDURES¹

Set forth below are the bid procedures (the "Bid Procedures") to be employed with respect to the proposed sale (the "Proposed Sale") of substantially all of the assets of the Debtor (defined below). The Debtor will seek entry of an order from the Bankruptcy Court (defined below) authorizing and approving the Proposed Sale to the Proposed Purchaser or to one or more other Qualified Bidders (defined below) that the Debtor may determine have made the highest, best or otherwise financially superior offer.

Asset Purchase Agreement

On February 26, 2009, the Debtor entered into an asset purchase agreement (the "Agreement") with Premier Exteriors, LLC (the "Proposed Purchaser"), pursuant to which the Proposed Purchaser proposes to acquire free and clear of all liens, claims, interests and encumbrances, substantially all of the properties, assets and rights of the Debtor (other than the Excluded Assets) existing as of the Closing, real or personal, tangible or intangible, including but not limited to all equipment, machinery, inventory, supplies, owned real property, leased real property, software, and intellectual property (such assets, the "Acquired Assets"). Pursuant to the Agreement, the Proposed Purchaser would provide consideration for the Acquired Assets equal to the following, calculated as of the Closing Date (the "Purchase Price"): (i) obligations in the amount of \$8.0 million outstanding under the Purchased Loan Agreement as of the Petition Date including the outstanding principal balance of the Notes, plus the amount of any accrued and unpaid interest payable through the Auction Date (the "Credit Bid Amount"); plus (ii) cash in the amount of \$650,000.00; plus (iii) the assumption of the Assumed Liabilities (including the DIP Agreement). The transaction contemplated by the Agreement is subject to competitive bidding as set forth herein, and approval by the Bankruptcy Court pursuant to Bankruptcy Code sections 363 and 365.

Assets for Sale

The Debtor is offering for sale all or substantially all of the assets (the "Acquired Assets") of Nailite International, Inc., as debtor and debtor-in-possession (the "Debtor") in its Chapter 11 case pending in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") and administered under Case No 09-10526. The assets for sale include all of the assets, rights, properties, claims, contracts and business of Debtor that are used, useful, or necessary in the conduct or performance of Debtor's Business, of every kind, nature, character and description, tangible and intangible, real, personal or mixed, wherever located.

The Bidding Process

¹ Unless otherwise defined herein, all capitalized terms shall have the meanings set forth in the Asset Purchase Agreement or the Debtor's Motion for Order (A) Approving Bid Procedures Including, Without Limitation, Purchaser's Break-Up Fee; (B) Approving Form and Manner of Notice; (C) Scheduling a Hearing to Consider the Sale of Certain of the Debtor's Assets; and (D) Granting Related Relief, as the case maybe.

The Debtor shall (i) determine whether any person, in addition to the Proposed Purchaser, is a Qualified Bidder (as defined herein), (ii) coordinate the efforts of Qualified Bidders in conducting its respective due diligence investigations regarding the Acquired Assets, (iii) receive offers from Qualified Bidders, and (iv) negotiate any offer made to purchase the Acquired Assets (collectively, the “**Bidding Process**”). Any person who wishes to participate in the Bidding Process must be a Qualified Bidder. The Debtor and its representatives shall not be obligated to furnish any information of any kind whatsoever relating to the Acquired Assets to any person who does not execute a confidentiality agreement in form and substance reasonably acceptable to the Debtor. The Debtor shall have the right to amend the rules set forth herein for the Bidding Process or adopt such other written rules for the Bidding Process, which, in Debtor’s reasonable judgment, will better promote the goals of the Bidding Process and which are not inconsistent with the terms of the Agreement or any Bankruptcy Court orders, including the Order approving these Bid Procedures. In the event there is a dispute as to the reasonableness of a confidentiality agreement, whether any person is a Qualified Bidder, what constitutes the highest and best bid at the Auction or otherwise, or any other matter related to the sale (the “**Sale**”) of the Acquired Assets, the Bankruptcy Court shall make such determination upon notice to the Debtor and the Proposed Purchaser and an opportunity for the Debtor and/or Proposed Purchaser to be heard.

Participation Requirements

Unless otherwise ordered by the Bankruptcy Court, for cause shown, or as otherwise determined by the Debtor, in order to participate in the Bidding Process, each person other than Proposed Purchaser (a “**Potential Bidder**”) must deliver (unless previously delivered) to the Debtor:

- (i) An executed confidentiality agreement in form and substance satisfactory to the Debtor; and
- (ii) Concurrent with delivery of the Potential Bidder’s initial bid, written evidence acceptable to the Debtor of a commitment for financing or other evidence of the Potential Bidder’s ability to consummate the transaction and payment of the purchase price in cash at the Closing, or, if the Potential Bidder is an entity formed for the purpose of acquiring the Acquired Assets, evidence acceptable to the debtors of the financial condition of equity holders who shall guarantee the obligations of the Potential Bidder.

A Qualified Bidder is a Potential Bidder that delivers to the Notice Parties (as defined below) the documents described in subparagraphs (i) and (ii) above, whose financial information and credit-quality support or enhancement demonstrate the financial capability of the Potential Bidder to consummate the Sale, and that the Debtor determines is likely (based on availability of financing, experience and other considerations) to be able to consummate the Sale if selected as the Successful Bidder, and delivers to the Notice Parties a Qualified Bid (as provided by these Bid Procedures). The Debtor will provide evidence of the Potential Bidder’s ability to consummate a purchase of the Purchased Assets to Proposed Purchaser unless the Potential Bidder states that such information as confidential. Nothing herein shall preclude Proposed

Purchaser from obtaining information it otherwise may be entitled to as a creditor, party-in-interest and/or Qualified Bidder for the Acquired Assets.

Due Diligence

The Debtor shall afford each Potential Bidder that executes a confidentiality agreement in form and substance reasonably acceptable to Debtor, reasonable access to the records of the Debtor relevant to the Acquired Assets for purposes of due diligence. No due diligence shall continue after the Bid Deadline (as defined herein). The Debtor may, in its discretion, coordinate due diligence efforts such that multiple Potential Bidders have simultaneous access to due diligence materials or site inspections. The Debtor is not obligated to furnish any information to any person except to Potential Bidders that execute an acceptable confidentiality agreement. Bidders are advised to exercise its own discretion before relying on any information regarding the Acquired Assets provided by anyone other than the Debtor or its representatives. The Debtor shall provide a copy of the Agreement to any interested party that makes a written request to Debtor's counsel, Potter Anderson & Corroon LLP, 1313 North Market Street, 6th Floor, Wilmington, Delaware 19801, Attn: Steven M. Yoder, Esquire.

Bid Deadline

A Potential Bidder that desires to make a bid shall, on or before 12:00 Noon Eastern Time April 6, 2009 (the "**Bid Deadline**"), (a) deliver written copies of its bid to (i) counsel to the Debtor, Potter Anderson & Corroon LLP, 1313 North Market Street, 6th Floor, Wilmington, Delaware 19801, Attn: Steven M. Yoder, Esquire and (ii) counsel to the Proposed Purchaser, Drinker Biddle & Reath LLP, 1100 N. Market Street, Suite 1000, Wilmington, DE 19801-1254, Attention: Andrew C. Kassner and Howard A. Cohen, and (iii) counsel to the Committee, Lowenstein Sandler, 65 Livingston Avenue, Roseland, New Jersey, 07068, Attn: Sharon L. Levine and Thomas A. Pitta (the "**Notice Parties**"). To the extent permitted by the Agreement or otherwise agreed by Proposed Purchaser, the Debtor may extend the Bid Deadline once or successively, but is not obligated to do so. If the Debtor extends the Bid Deadline, it shall promptly notify Proposed Purchaser and all Potential Bidders that have met the Qualification Requirements of such extension.

Bid Requirements

A bid is a letter from a Potential Bidder (other than Proposed Purchaser, whose participation as a Qualified Bidder shall be on the terms set forth in the Agreement) stating that (i) the Bidder offers to purchase the Acquired Assets and shall not receive any break-up fee, and (ii) the Potential Bidder's offer is irrevocable until 48 hours after the closing of the sale of the Acquired Assets. A Potential Bidder (other than Proposed Purchaser) shall accompany its bid with (i) an agreement marked to show those amendments and modifications to the Agreement, (ii) a deposit, to be paid by wire transfer, in the amount of ten percent (10%) of the offer payable to the order of Debtor's counsel, to be held by Debtor's counsel in escrow (the "**Good Faith Deposit**"), and (iii) written evidence of a commitment for financing or other evidence of ability to consummate the transaction and payment of the purchase price in cash at the Closing, which shall occur at such time as the Sale Order becomes a final order.

Unless otherwise waived by the Seller in writing, the Seller will consider a bid only if the bid:

- a. provides the name, address, and phone and facsimile numbers of the person designated to receive notices on behalf of such Potential Bidder and with authority to bind the Potential Bidder on all matters related to the Sale;
- b. provides overall value for the Acquired Assets to the Debtor of at least \$50,000 over the aggregate amount of the Purchase Price of Proposed Purchaser set forth in the Agreement;
- c. is not conditioned on obtaining financing or on the outcome of unperformed due diligence by the bidder with respect to the assets sought to be acquired;
- d. does not request or entitle the bidder to any break-up fee, termination fee, expense reimbursement or similar type of payment; and
- e. is received by the Bid Deadline.

A bid received from a Potential Bidder that meets the above requirements is a "**Qualified Bid.**" A Qualified Bid will be valued based upon factors such as the net value provided by such bid and the likelihood and timing of consummating such transaction. For purposes hereof, the Agreement executed by the Proposed Purchaser shall constitute a Qualified Bid.

Credit Bidding

The Proposed Purchaser may make one or more credit bids of some or all of their claims to the fullest extent permitted by Section 363(k) of the Bankruptcy Code.

“As Is; Where Is”

The sale of the Acquired Assets shall be on an “**as is, where is**” basis and without representations or warranties of any kind, nature, or description by the Debtor, its agents or estate, as the case may be, all of the Debtor’s right, title and interest in and to the assets to be acquired shall be sold free and clear of all pledges, liens, security interests, encumbrances, Claims, charges, options and Interests thereon and there against (collectively, the “**Transferred Liens**”), such Transferred Liens to attach to the net proceeds of the sale of such assets. The terms “**Claims**” and “**Interests**” shall have the meanings ascribed to such terms in the Agreement.

Each bidder shall be deemed to acknowledge and represent that it has had an opportunity to inspect and examine the Acquired Assets and to conduct any and all due diligence regarding the Acquired Assets prior to making its offer, that it has relied solely upon its own independent review, investigation and/or inspection of any documents and premises in making its bid, and that it did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Acquired Assets, or the completeness or accuracy of any information provided in connection with the Bidding Process, except as expressly stated in the Agreement or a competing Asset Purchase Agreement.

Auction

If Qualified Bids have been received from at least one Qualified Bidder other than Proposed Purchaser that the Debtor, in consultation with the Committee, determines is higher and better than the initial bid of Proposed Purchaser as set forth in the Agreement, the Debtor may conduct an absolute auction (the “**Auction**”) with respect to the Business. The Auction shall take place at 12:00 Noon on April 8, 2009 at the office of Debtor’s counsel, Potter Anderson & Corroon LLP, 1313 North Market Street, 6th Floor, Wilmington, Delaware 19801, or such other time or other place as the Debtor shall notify all Qualified Bidders who have submitted Qualified Bids. Only Qualified Bidders will be eligible to participate at the Auction. At least twenty-four hours prior to the Auction, each Qualified Bidder who has submitted a Qualified Bid must inform the Debtor whether it intends to participate in the Auction.

The Debtor and/or the Court shall conduct the Auction in the manner it reasonably determines will achieve the maximum value for the Acquired Assets. Bidding at the Auction will commence with the highest Qualified Bid and shall continue in increments of not less than \$25,000. The Debtor may adopt rules for bidding at the Auction that, in the Debtor’s business judgment, will better promote the goals of the bidding process and that are not inconsistent with any of the provisions of the Bid Procedures, the Agreement, the Bankruptcy Code, or any order of the Bankruptcy Court entered in connection herewith.

After each round of bidding, the Debtor, in conjunction with the Committee, shall (i) review each Qualified Bid on the basis of financial and contractual terms and the factors relevant to the sale process, including those factors affecting the speed and certainty of consummating the Sale and (ii) identify the highest and best offer for the Acquired Assets at the Auction based on that round of bidding. Each Qualified Bidder shall have the right to submit a new or revised bid

upon announcement of the highest and best bid from the immediately preceding round of bids. The bid announced by the Debtor as the highest and best bid at the last round of bidding shall be the successful bid (the “**Successful Bid**” and the bidder making such bid, the “**Successful Bidder**”). A Qualified Bidder shall not be permitted to allocate the purchase price for distribution to specific creditors, except as expressly provided by the Agreement.

At the conclusion of the Auction, the Successful Bidder and the bidder that made the Backup Bid (as defined below) shall increase its Good Faith Deposit to an amount equal to ten percent (10%) of the Successful Bid and Backup Bid, respectively.

Acceptance of Qualified Bids

The Debtor presently intends to sell the Acquired Assets to the Qualified Bidder submitting the highest and best Qualified Bid, on an overall economic basis. The Debtor’s presentation to the Bankruptcy Court for approval of a particular Qualified Bid does not constitute the Debtor’s acceptance of the bid. The Debtor shall have accepted a bid only when that bid has been approved by the Bankruptcy Court at the Sale Hearing.

The Sale Hearing

At the Sale Hearing, the Debtor will seek entry of an order, among other things, authorizing and approving the Sale (i) if no other Qualified Bid is received which is higher and better than the initial bid of Proposed Purchaser as set forth in the Agreement, to the Proposed Purchaser pursuant to the terms and conditions set forth in the Agreement, or (ii) if a Qualified Bid is received by the Debtor which is higher and better than the initial bid of Proposed Purchaser as set forth in the Agreement, to the Successful Bidder, as determined by the Debtor in accordance with the Bid Procedures, pursuant to the terms and conditions set forth in the Agreement or submitted by the Successful Bidder.

The Debtor may present to the Bankruptcy Court for approval both the Successful Bid and the next highest and best bid (the “**Backup Bid**”). Subject to Bankruptcy Court approval, the Debtor shall effect the Sale with the Successful Bidder. As set forth in the Bid Procedures, if the Successful Bidder fails to consummate an approved Sale because of a breach or a failure to perform on the part of such Successful Bidder, the Backup Bid, as approved at the Sale Hearing, shall be deemed to be the Successful Bid and the Debtor shall be authorized to effect such Sale without further order of the Bankruptcy Court. If the Successful Bidder fails to consummate the Asset Sale, and such failure is the result of a breach by the Successful Bidder, the Good Faith Deposit shall be forfeited to the Debtor and the Debtor specifically reserves the right to seek all available damages from such entity or person. If (a) the bidder submitting the Backup Bid is Proposed Purchaser and (b) the Closing on the Sale of the Acquired Assets does not occur on or before April 15, 2009, then Proposed Purchaser may terminate the Agreement and, if Proposed Purchaser does so terminate, shall not be obligated to close on the Sale.

Subject to the terms of the Agreement, the Sale Hearing may be adjourned or rescheduled without notice other than by an announcement of the adjourned date at the Sale Hearing.

Return of Good Faith Deposit

The Good Faith Deposits of all Qualified Bidders shall be retained by the Debtor's counsel, as escrow agent, and all Qualified Bids will remain open until the conclusion of the Sale Hearing and, notwithstanding Bankruptcy Court approval of a sale pursuant to the terms of a Successful Bid by a Qualified Bidder, if more than one Qualified Bid is received with respect to the sale of the Acquired Assets, the Backup Bid shall also remain open and irrevocable until 48 hours after consummation of the Sale with a Successful Bidder.

Modifications

The Debtor, in conjunction with the Committee, may (a) determine, in its business judgment who is a Qualified Bidder and which Qualified Bid is the highest or otherwise best offer and (b) reject at any time before entry of an order of the Bankruptcy Court approving a Qualified Bid, any bid that they believe is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Bankruptcy Code, the Bid Procedures, or the terms and conditions of the Sale, or (iii) contrary to the best interests of the Debtor, its estate and creditors. At or before the Sale Hearing, the Bankruptcy Court and/or the Debtor, consistent with the purposes of the Bid Procedures to obtain the highest or otherwise best offer for its assets, may impose such other terms and conditions as it may determine to be in the best interests of the Debtor's estate, its creditors and other parties in interest; provided, however, such additional terms and conditions shall not be inconsistent with the Agreement unless approved by the Proposed Purchaser.