

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

PEEKAY ACQUISITION, LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 17-11722 (BLS)

(Jointly Administered)

Ref. No. 26

**ORDER (A) APPROVING BID PROCEDURES RELATING TO THE SALE OF
SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS; (B) SCHEDULING A HEARING
TO CONSIDER THE SALE; (C) APPROVING THE FORM AND MANNER OF
NOTICE OF SALE BY AUCTION; (D) ESTABLISHING NOTICE AND CONTRACT
PROCEDURES FOR THE ASSUMPTION AND ASSIGNMENT OF CONTRACTS AND
LEASES; AND (E) GRANTING RELATED RELIEF**

Upon the Motion² filed by the above-captioned debtors and debtors-in-possession (the "Debtors"), pursuant to sections 105(a), 363, 365, 503 and 507 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the "Bankruptcy Code"), and Rules 2002, 6003, 6004, 6006, 9007 and 9008 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and rule 6004-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), for entry of an order (the "Order"), (i) approving the procedures (the "Bid Procedures") substantially in the form annexed hereto as Exhibit 1 relating to that certain Asset Purchase Agreement (the "Stalking Horse APA") by and among the Debtors and TLA Acquisition Corp. (the "Stalking Horse Bidder"), with respect to the

¹ The Debtors, along with the last four digits of each Debtor's tax identification number, are: Peekay, Inc. (3429); Peekay Boutiques, Inc. (7972); Christals Acquisition, LLC (0391); Peekay Acquisition, LLC (0923); Peekay SPA, LLC (2765); Conrev, Inc. (2441); Condom Revolution, Inc. (6019); Charter Smith Sanhueza Retail, Inc. (8963); ZJ Gifts F-2, L.L.C. (3565); ZJ Gifts F-3, L.L.C. (3562); ZJ Gifts F-4, L.L.C. (8006); ZJ Gifts F-5, L.L.C. (7062); ZJ Gifts F-6, L.L.C. (4381); ZJ Gifts I-1, L.L.C. (5099); ZJ Gifts M-3, L.L.C. (8925); ZJ Gifts M-1, L.L.C. (7202); and ZJ Gifts M-2, L.L.C. (6643). The Debtors' corporate headquarters and mailing address is 901 West Main Street, Suite A, Auburn, WA 98001.

² Capitalized terms used but not defined herein shall have the same meanings given to such terms as in the Motion or the Stalking Horse APA, as applicable.

proposed sale (the "Sale") of substantially all of the assets (as defined in the Stalking Horse APA, the "Acquired Assets"), (ii) scheduling a hearing on the Sale (the "Sale Hearing") and setting objection and bidding deadlines with respect to the Sale, (iii) approving the form and manner of notice of the Sale and the auction (the "Auction") for the Acquired Assets, a copy of which notice is attached hereto as Exhibit 2 (the "Sale Notice"), (iv) establishing procedures to determine cure amounts and deadlines for objections to the assumption and assignment of executory contracts and unexpired leases as set forth in the Motion (the "Contract Procedures"); and (v) granting related relief; and it appearing that the notice of the Motion provided is appropriate and sufficient under the circumstances and that no other or further notice need be given; and it appearing that the relief requested is in the best interests of the Debtors' estates, their creditors and other parties in interest; and after due deliberation and good and sufficient cause appearing therefor;

THE COURT HEREBY FINDS AND CONCLUDES THAT:³

A. This Court has jurisdiction over this matter and over the properties of the Debtors and their estates pursuant to 28 U.S.C. §§ 157 and 1334. This proceeding is a core proceeding pursuant to 28 U.S.C. § 157. Venue is proper in this district and in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

B. The statutory and rule based predicates for the relief requested in the Motion are Bankruptcy Code sections 105(a), 363, 365, 503 and 507, Bankruptcy Rules 2002, 6003, 6004, 6006, 9007, 9008 and Local Rule 6004-1.

³ The findings and conclusions set forth herein constitute the Bankruptcy 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.

C. Notice of the Motion having been given as set forth in the Motion is sufficient in light of the circumstances and the nature of the relief requested in the Motion and no other or further notice is necessary or required, except as otherwise set forth herein.

D. The Debtors have articulated good and sufficient reasons for this Court to grant the relief requested in the Motion regarding the Sale process, including, without limitation: (i) approving the Bid Procedures; (ii) scheduling the Auction and the Sale Hearing; (iii) approving the Sale Notice; and (iv) approving the Cure Notice and Contract Procedures.

E. The Bid Procedures were proposed and negotiated in good faith by the Debtors, and are fair, reasonable and appropriate under the circumstances, and are properly designed to maximize the recovery from any sale of the Acquired Assets.

F. The form and scope of the Sale Notice attached hereto as Exhibit 2 is appropriate and reasonably calculated to provide all interested parties with timely and proper notice of the Sale, the Sale Hearing and the Auction and no other and further notice is required, except as otherwise set forth herein.

G. The Contract Procedures and the notices related thereto, including the Cure Notice attached hereto as Exhibit 3 and the Additional Cure Notice attached as Exhibit 4 are appropriate and reasonably calculated to provide all Contract Parties with proper notice of the potential assumption and assignment of Contracts or unexpired leases and any Cure Amounts relating thereto and no further or other notice is required, except as set forth herein.

H. The form of Notice of Sale Hearing and Terms of Global Settlement (as defined in the final cash collateral order entered by the Court) (the "Notice of Sale Hearing and Terms of Global Settlement") attached hereto as Exhibit 5 is appropriate, reasonably calculated and sufficient to provide all interested parties with notice that the Stalking Horse Bid includes the

Global Settlement, and of the opportunity to object to the proposed sale and form of Sale Order, which will include the terms of the Global Settlement.

I. The entry of this Order is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and it is therefor

ORDERED, ADJUDGED AND DECREED THAT:

1. The relief requested in the Motion is GRANTED as set forth herein.
2. The Bid Procedures and Contract Procedures are approved in all respects and the relief requested in the Motion as it pertains to the Bid Procedures and Contract Procedures, is granted.
3. All objections to the relief requested in the Motion with respect to the Bid Procedures or the Contract Procedures that have not been withdrawn, waived, or settled as announced to the Bankruptcy Court at the hearing on the Motion or as reflected in this Order or by stipulation or withdrawal filed with the Bankruptcy Court, are overruled.
4. The Debtors are hereby authorized to enter into and execute the Stalking Horse APA and to perform such obligations under the Stalking Horse APA which may arise prior to the Sale Hearing.
5. The Bid Procedures attached hereto as Exhibit 1 are hereby approved and fully incorporated into this Order, and shall apply with respect to the Auction and the proposed Sale of the Acquired Assets.
6. The Debtors are authorized to take any and all actions necessary or appropriate, consistent with the terms of this Order, to implement the Bid Procedures.
7. The Stalking Horse Bidder is hereby deemed a Qualified Bidder, whose bid as set forth in the Stalking Horse APA shall be deemed a Qualified Bid.

8. The Stalking Horse Bidder, or its designee or assignee, is entitled to credit bid its secured claims against the Debtors up to a maximum amount not to exceed \$31 million (the "Credit Bid Cap"), without otherwise complying with the Bid Procedures, to the fullest extent permissible under Bankruptcy Code section 363(k); provided, that such credit bid shall be subject only to any challenge filed in accordance with and subject to the requirements of the Financing Orders. If no such challenge is so commenced, no person or entity shall have any right to challenge any credit bid submitted by the Stalking Horse Bidder. If any such challenge is commenced, the Stalking Horse Bidder may, in its sole discretion, withdraw the Stalking Horse Bid or seek other appropriate relief, including on an emergency basis.

9. Upon the closing of any Sale to any party other than the Stalking Horse Bidder, all consideration provided in connection with such Sale shall be paid directly to the Term A Lenders until all claims of the Term A Lenders have been paid in full in cash; provided, that if a timely challenge to the Debtors' obligations to the Term A Lenders is commenced in accordance with the Financing Orders, such consideration shall be held in escrow by the Debtors until such challenge is resolved or as otherwise ordered by this Court.

10. The Debtors, in consultation with the Committee, shall have the right to determine at the Auction that any Qualified Bid other than the Stalking Horse Bid and Successful Bid shall be the Back-Up Bid.

11. Pursuant to the Bid Procedures, a Potential Bidder that desires to make a bid shall deliver written copies of its bid to the parties identified in the Bid Procedures no later than 12:00 p.m. (ET) on October 10, 2017 (the "Bid Deadline") and shall comply with all other requirements set forth in the Bid Procedures in making such a bid for the Acquired Assets.

12. To the extent the Debtors receive at least one Qualified Bid, other than that of the Stalking Horse Bidder, the Debtors shall conduct the Auction commencing at 10:00 a.m. (ET) on October 17, 2017 at the offices of Landis Rath & Cobb LLP, 919 Market Street, Suite 1800, Wilmington, Delaware 19801. The Auction may be attended and viewed by the Debtors, their professionals, Auction Participants, the Committee and its members and professionals. Any creditor wishing to attend the Auction may do so by contacting, no later than October 12, 2017, Landis Rath & Cobb LLP, 919 Market Street, Suite 1800, Wilmington, Delaware 19801, Attn: Joseph Wright (e-mail: wright@lrclaw.com). The time and place of the Auction may change with notice. The Debtors shall file notice of any such change with the court not later 10:00 a.m. (ET) on October 16, 2017, and shall serve such notice by email or fax on all creditors who notified debtors' counsel of their intention to attend the Auction, as well as on all bidders and Committee counsel.

13. If the Debtors do not receive a Qualified Bid other than that of the Stalking Horse Bidder, the Debtors will not hold the Auction, and the Stalking Horse Bidder will be named the Successful Bidder. No later than 4:00 p.m. (ET) on the day that is one business day before the Auction: (i) the Debtors shall notify all Qualified Bidders (including the Stalking Horse Bidder) and counsel to the Committee whether the Auction will occur; and (ii) in the event an Auction will occur, the Debtors shall provide e-mail or fax notice containing the identities of all Qualified Bidders to all Contract Parties who timely requested such notice pursuant to paragraph 15 below.

14. Upon conclusion of the bidding at any Auction, the Auction shall be closed, and the Debtors, in consultation with the Term A Lenders and the Committee shall (i) review each Qualified Bid and Overbid on the basis of financial and contractual terms and the factors relevant to the Sale process and the contract assumption process, including, without limitation, those

factors affecting the speed and certainty of consummating the proposed Sale and the amount of the cash (or cash equivalents) consideration and (ii) identify the highest or otherwise best offer for the Acquired Assets (the “Successful Bid” and the entity submitting such Successful Bid, the “Successful Bidder”), the Back-Up Bid and the Back-Up Bidder and advise the Qualified Bidders of such determinations.

15. The Debtors shall file notice of the identity of the Successful Bidder, and the Back-up Bidder, and the amount of the Successful Bid and Back-up Bid with the Court no later than three (3) hours after the close of the Auction. At that same time, the Debtors shall serve notice of the foregoing information by email or fax to all Contract Parties and creditors who requested such information in writing from Debtors’ counsel and provided Debtors’ counsel with their email addresses or fax numbers by no later than October 12, 2017.

16. The Debtors, in their reasonable business judgment, in consultation with the Term A Lenders and the Committee may (a) determine which Qualified Bid, if any, 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 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 Debtors, their estates, their creditors, or other stakeholders; provided, however, that notwithstanding anything contained herein or in any other related pleading, the Debtors may not modify the Bid Procedures in any way that would materially impair the rights of the Stalking Horse Bidder under the Stalking Horse APA or the Term A Lenders. All bids, including the Successful Bid, must comply with the Minimum Initial Bid requirements (as defined in the Motion), unless otherwise agreed by the Debtors, in consultation with the Term A Lenders and the Committee.

17. The Debtors' presentation of a particular Qualified Bid other than the Stalking Horse Bid to the Bankruptcy Court for approval does not constitute the Debtors' acceptance of such Qualified Bid. Other than as expressly set forth in the Bid Procedures Order, the Debtors will be deemed to have accepted a bid only when the bid has been approved by the Bankruptcy Court at the Sale Hearing.

18. After the Successful Bid, the next highest or otherwise best offer (the "Back-Up Bid"), as determined by the Debtors, in consultation with the Term A Lenders and Committee, shall remain open, and the entity submitting such Back-Up Bid (the "Back-Up Bidder") shall be required to fully perform under such Back-Up Bid, until the earlier of consummation of the Sale with the Successful Bidder or sixty (60) days following the closing date contemplated in the Successful Bid. For the avoidance of doubt, the Stalking Horse Bidder shall not be required to serve as the Back-Up Bidder. In the event the Successful Bidder fails to consummate the Sale as a result of the Successful Bidder's default or breach under the applicable purchase agreement in accordance with the terms of such purchase agreement by the closing date contemplated in such purchase agreement, the Debtors shall be, among other things, free to enter into a new purchase agreement with the Back-Up Bidder at the purchase price contemplated in the Back-Up Bid. Following the approval of the Sale of the Acquired Assets to the Successful Bidder at the Sale Hearing, if such Successful Bidder fails to consummate the approved Sale within sixty (60) days after entry of an Order approving such Sale, the Debtors shall be authorized, in consultation with the Term A Lenders and the Committee but not required, to deem the Back-Up Bid, as disclosed at the Sale Hearing, the Successful Bid, and the Debtors may consummate the Sale to the Back-Up Bidder without further order of the Bankruptcy Court.

19. The Motion, together with all exhibits and schedules, this Order, and all notices approved by this Order, shall be posted on the website of the Debtors' claims agent.

20. The Contract Procedures, setting forth, among other things, the procedures for determining the Cure Amounts and the deadline for objecting to the Cure Amounts and/or the proposed assumption and assignment of executory contracts and unexpired leases, as provided in the Motion, are hereby approved in their entirety, except as modified herein. Notice of the Contract Procedures in the form attached hereto as Exhibit 3 and service of such notice of the Contract Procedures to the Contract Parties, are appropriate and sufficient under the circumstances, and no other or further notice of the Contract Procedures need to be given, except as set forth herein.

21. The Bankruptcy Court shall conduct the Sale Hearing commencing on October 18, 2017 at 10:30 a.m. (ET), at which time the Bankruptcy Court will consider approval of the Sale to the Successful Bidder and entry of the Sale Order.

22. Objections to (i) approval of the Sale and entry of the Sale Order, including the relief sought in the Motion that the sale of the Acquired Assets be free and clear of all Encumbrances pursuant to Bankruptcy Code section 363(f), with such Encumbrances to attach to the Sale Proceeds (if any) (a "Sale Objection") or (ii) proposed Cure Amounts and/or the proposed assumption and assignment of Contracts on the Contracts Schedule, including, but not limited to, objections related to adequate assurance of future performance by the Successful Bidder (a "Contract Objection"), must be in writing and filed with the Bankruptcy Court and served on (i) counsel for the Debtors, Landis Rath & Cobb LLP, 919 Market Street, Suite 1800, Wilmington, Delaware 19801 (Attn: Adam G. Landis, Esq. (landis@lrclaw.com) and Matthew B. McGuire, Esq. (mcguire@lrclaw.com)); (ii) counsel to the Term A Lenders, Curtis, Mallet-

Prevost, Colt & Mosle LLP, 101 Park Avenue, New York, New York 10178 (Attn: Steven J. Reisman, Esq. (sreisman@curtis.com) and Shaya Rochester, Esq. (srochester@curtis.com) and Richards, Layton & Finger, P.A., 920 North King Street, Wilmington, Delaware 19801 (Attn: Mark D. Collins, Esq. (collins@rlf.com)); (iii) counsel to the Committee, Cullen and Dykman LLP, The Legal Center, One Riverfront Plaza, Newark, New Jersey 07102 (Attn: S. Jason Teele, Esq. (steele@cullenanddykman.com), Nicole Stefanelli, Esq. (nstefanelli@cullenanddykman.com), and Bonnie Pollack (bpollack@cullenanddykman.com)) and Whiteford, Taylor & Preston LLC, The Renaissance Centre, 405 North King Street, Suite 500, Wilmington, Delaware 19801 (Attn: Christopher M. Samis, Esq. (csamis@wtplaw.com) and L. Katherine Good, Esq. (kgood@wtplaw.com)); and (iv) the Office of the United States Trustee, 844 King Street, Suite 2207, Wilmington, Delaware 19801 (Attn: Juliet Sarkessian, Esq. (juliet.M.Sarkessian@usdoj.gov)), so as to be received by such parties prior to 4:00 p.m. (ET) on October 11, 2017 (the “Sale Objection Deadline” and “Contract Objection Deadline”); provided, however, that if the Debtors amend the Cure Notice to add a contract or lease, the Contract Party shall have until the later of (a) fourteen 14 days after service of the Cure Notice, and (b) the Sale Hearing to submit a Contract Objection (the “Amended Contract Objection Deadline”); provided further, that if the Debtors amend the Cure Notice to reduce the Cure Amount of a Contract, except where such reduction was upon mutual agreement of the parties, the Contract Party shall have until fourteen (14) days after service of the amended Cure Notice to object to the Cure Amount; and provided further, that in the event the Auction results in a Successful Bidder other than the Stalking Horse Bidder Contract Parties shall be able to assert an objection at or before the Sale Hearing to the assignment of executory contracts and unexpired leases to such Successful Bidder solely on the grounds that the proposed assignment does not comply with 11

U.S.C. § 365(b)(1)(C), with any such objection that is not resolved prior to or at the Sale Hearing to be heard at a later-scheduled hearing as the Bankruptcy Court deems appropriate.

23. In the event (a) an Auction is conducted, the deadline for objections related to the conduct of the Auction itself shall be at the Sale Hearing and (b) in the event the Auction results in a Successful Bidder other than the Stalking Horse Bidder, the deadline for objections relating to (i) the form of Sale Order approving such Successful Bidder's asset purchase agreement, and (ii) the proposed asset purchase agreement between the Debtors and such Successful Bidder shall be at the Sale Hearing.

24. Unless a Contract Objection is filed and served before the Contract Objection Deadline or the Amended Contract Objection Deadline, as applicable, all Contract Parties shall be (i) forever barred from objecting to the proposed Cure Amounts and from asserting any additional cure or other amounts (other than as may be asserted in an Additional Cure Notice), provided, however, that a Contract Party shall not be barred from seeking additional amounts on account of any defaults occurring between the service of the Cure Notice (or amended Cure Notice, if applicable) and the assumption of the contract, and the Debtors and the Successful Bidder shall be entitled to rely solely upon the proposed Cure Amounts set forth in the Cure Notices; (ii) deemed to have consented to the assumption and assignment, (iii) forever barred and estopped from asserting or claiming against the Debtors or the Stalking Horse Bidder, or the Successful Bidder, as applicable, that any additional amounts are due or other defaults exist (other than as may be asserted in an Additional Cure Notice), that conditions to assignment must be satisfied under such Contracts, including without limitation adequate assurance of future performance; (iv) precluded from objecting to the Cure Amount (if any) and the assumption and

assignment; and (v) barred and estopped from asserting or claiming that their Contract contains an enforceable consent right.

25. The Debtors, the Contract Party, and the Successful Bidder, in consultation with the Committee, may consensually resolve any Contract Objection prior to the Sale Hearing. In the event a Contract Objection is not resolved, such Contract Objection will be heard at the Sale Hearing or thereafter, or the Successful Bidder may designate such Contract as a Contract that will not be assumed and assigned to the Successful Bidder, in which case such Contract shall not be assumed and shall remain property of the Debtors' estates, subject to any designation rights set forth in the Stalking Horse APA and further orders of the Bankruptcy Court.

26. The Debtors are hereby authorized to share certain of the Contracts that contain confidentiality restrictions with Qualified Bidders, including the Stalking Horse Bidder, subject to the terms of the non-disclosure agreement by and between the Debtors and each Qualified Bidder, provided that each such Qualified Bidder requesting access to such confidential contracts enters into a non-disclosure agreement with the Debtors, in a form acceptable to the Debtors.

27. The Court finds that no consumer privacy ombudsman is required under § 363(b)(1) of the Bankruptcy Code.

28. All Qualified Bidders are deemed to have submitted to the exclusive jurisdiction of the Bankruptcy Court with respect to all matters between and among any Qualified Bidder and the Debtors related to the Auction and the Sale.

29. The Sale Notice attached hereto as Exhibit 2 is approved. The Sale Notice provides all parties in interest good and sufficient notice of the relief sought in the Motion, including, but not limited to, the Auction, the Bid Deadline, the Bid Procedures, the Sale Hearing and the Sale.

30. Within two (2) days of the entry of the Bid Procedures Order, the Debtors shall serve by first class mail, postage prepaid, copies of: (i) this Order and (ii) the Sale Notice upon the following entities: (a) the Office of the United States Trustee for the District of Delaware; (b) counsel to the Stalking Horse Bidder; (c) counsel to the Committee; (d) all taxing authorities having jurisdiction over any of the Acquired Assets subject to the Sale, including the Internal Revenue Service; (e) the Environmental Protection Agency; (f) the U.S. Securities Exchange Commission; (g) the state/local environmental agencies in the jurisdictions where the Debtors own or lease real property; (h) all parties that have requested notice pursuant to Bankruptcy Rule 2002 as of the date prior to the date of entry of the Bid Procedures Order; (i) all persons or entities known to the Debtors that have or have asserted a lien on, or security interest in, all or any portion of the Acquired Assets; (j) all of the Debtors' known creditors; (k) all potential bidders previously identified or otherwise known to the Debtors; and (l) all counterparties to executory contracts and unexpired leases with any of the Debtors (collectively, the "Sale Notice Parties"). The Debtors are also authorized and directed to publish the Sale Notice in the national edition of either the *Wall Street Journal National Edition* or *USA Today* or similar publication once within seven (7) business days after entry of this Order.

31. The Cure Notice attached hereto as Exhibit 3 provides proper notice to all parties in interest and is approved. The Debtors shall serve the Cure Notice on all Contract Parties by first class mail no later than fourteen (14) days before the Contract Objection Deadline and twenty-one (21) days prior to the Sale Hearing.

32. The Additional Cure Notice attached hereto as Exhibit 4 provides proper notice to all parties in interest and is approved. The Debtors shall serve the Additional Cure Notice pursuant to the additional assumption procedures as provided in the Motion.

33. The Notice of Sale Hearing and Terms of Global Settlement attached hereto as Exhibit 5 is approved as providing sufficient notice that the Stalking Horse Bid includes the Global Settlement, and of the opportunity to object to the proposed sale and form of Sale Order, which will include the terms of the Global Settlement. The Debtors shall serve the Notice of Sale Hearing and Terms of Global Settlement on the Sale Notice Parties listed in paragraph 30 above.

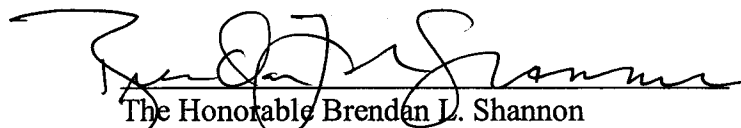
34. All of the dates set forth on the attached Schedule 1 are hereby approved.

35. This Order shall constitute findings of fact and conclusions of law and shall take effect immediately upon execution hereof.

36. Notwithstanding the possible applicability of Bankruptcy Rule 6003 or 6004(h) or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry, and no automatic stay of execution shall apply to this Order.

37. This Court shall retain jurisdiction over any matters related to or arising from the implementation of this Order and the Bid Procedures.

Dated: September 7, 2017
Wilmington, Delaware


The Honorable Brendan L. Shannon
United States Bankruptcy Judge

SCHEDULE 1

Deadline for Debtors to Serve Notice of Sale Hearing and Notice of Entry of Bid Procedures Order	Within (2) days after entry of the Bid Procedures Order
Deadline for Debtors to Serve Cure Notices	September 27, 2017
Bid Deadline	October 10, 2017 at 12:00 p.m. (Noon) (ET)
Deadline to Object to Cure Amounts	October 11, 2017 at 4:00 p.m. (ET)
Deadline to Object to Assumption and Assignment of Contracts and Leases to Stalking Horse Bidder	October 11, 2017 at 4:00 p.m. (ET)
Sale Objection Deadline	October 11, 2017 at 4:00 p.m. (ET)
Auction, if necessary	October 17, 2017 at 10:00 a.m. (ET)
Deadline of Debtors to File and Serve Notice of Winning Bidder and Amount of Bid	Within three (3) hours after the close of the Auction
Deadline to Object to Adequate Assurance of Successful Bidder <i>other than</i> Stalking Horse	If a bid other than the Stalking Horse APA is the Successful Bid then parties shall have until the Amended Contract Objection Deadline (i.e., the later of (a) 14 days after service of the Cure Notice, and (b) the Sale Hearing)
Sale Hearing	October 18, 2017 at 10:30 a.m. (ET)

EXHIBIT 1

BID PROCEDURES

Peekay Acquisition, LLC and its affiliated debtors and debtors-in-possession (the “Debtors”) filed chapter 11 cases (the “Chapter 11 Cases”), which are pending in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) and are being jointly administered under Case No. 17-11722 (BLS). By motion dated August 10, 2017 (the “Motion”), the Debtors seek, among other things, approval of the processes and procedures set forth below (the “Bid Procedures”) to effectuate the sale of the Acquired Assets (the “Sale”).¹ The Bid Procedures are designed to facilitate a full, open and fair bidding process to maximize the value of the Acquired Assets for the benefit of the Debtors’ creditors, stakeholders, and the bankruptcy estates.

On October 18, 2017 at 10:30 a.m. (ET), as further described below, the Bankruptcy Court shall conduct a hearing (the “Sale Hearing”) at which time the Debtors shall seek entry of an order (the “Sale Order”) authorizing and approving the sale of the Acquired Assets to the Stalking Horse Bidder (defined below) or the Successful Bidder (defined below), as applicable.

Asset Purchase Agreement and Credit Bid Cap

The Debtors and TLA Acquisition Corp., for itself or for its assignee or designee (the “Stalking Horse Bidder”) have entered into an asset purchase agreement (the “Stalking Horse APA”), pursuant to which the Stalking Horse Bidder will acquire the Acquired Assets and assume the Assumed Contracts, subject to higher or otherwise better offers. The Acquired Assets do not include the Excluded Assets. The Sale contemplated by the Stalking Horse APA is subject to competitive bidding, as set forth herein, and approval by the Bankruptcy Court pursuant to sections 363 and 365 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “Bankruptcy Code”).

Notwithstanding anything contained herein or in any other order of the Bankruptcy Court, the Stalking Horse Bidder’s Credit Bid (defined below) shall not exceed \$31 million (the “Credit Bid Cap”).

Assets for Sale

Subject to the terms herein, the Debtors are offering for sale, in one or more sales, all or substantially all of the assets of the Debtors. A bid for less than all of the Acquired Assets may be submitted but shall not be considered to be a Qualified Bid (defined below) unless coupled with bid(s) for other Acquired Assets, such that the value of the combined bids exceeds the value provided under the Stalking Horse APA. A bid to sponsor a Chapter 11 plan may be deemed a Qualified Bid if, in the determination of the Debtors, in consultation with the Term A Lenders and the Committee, such bid satisfies the requirements of the Bid Procedures.

¹ Capitalized terms used but otherwise not defined herein shall have the meanings ascribed to them in the Stalking Horse APA (defined herein) or the Motion, as applicable.

Access to Due Diligence Materials

In order to access diligence materials and information related to the Debtors' assets, each potential bidder (a "Potential Bidder") must first deliver (unless previously delivered) to the Debtors' investment banker and counsel (as identified below) the following items prior to the Bid Deadline (defined below) (collectively, the "Participation Requirements"):

- (a) Confidentiality Agreement. An executed confidentiality agreement in form and substance reasonably acceptable to the Debtors; and
- (b) Identification of Potential Bidder. Identification of the Potential Bidder and any principals and representatives thereof who are authorized to appear and act on their behalf for all purposes regarding the contemplated Sale.

Upon satisfaction of the Participation Requirements, the Debtors will afford each Potential Bidder due diligence access to the Debtors' assets; provided, however, that (i) the Debtors shall have the right, in consultation with the Term A Lenders and the official committee of unsecured creditors formed in the Chapter 11 Cases (the "Committee"), to reasonably limit the due diligence provided to competitors; and (ii) the Debtors will have no obligation to provide due diligence access after the Bid Deadline. If the Debtors determine, in consultation with the Term A Lenders and the Committee that a Potential Bidder does not constitute a Qualified Bidder (defined below), then such Potential Bidder's access to due diligence materials or additional non-public information shall terminate. The Debtors have designated and employed SSG Advisors, LLC, Five Tower Bridge, Suite 420, 300 Barr Harbor Drive, West Conshohocken, PA 19428, Attn: J. Scott Victor (e-mail jsvictor@ssgca.com) (tel.: (610) 940-1094), the proposed investment banker to the Debtors, to coordinate all reasonable requests from Potential Bidders for additional information and due diligence access. The Debtors and their representatives are not responsible for, and will bear no liability with respect to, any information obtained by any Qualified Bidder in connection with the Sale of the Acquired Assets.

BIDDING PROCESS

The Debtors and their advisors shall (i) determine, in consultation with the Term A Lenders and the Committee whether a Potential Bidder is a Qualified Bidder; (ii) coordinate efforts of the Potential Bidders in conducting their due diligence investigation; (iii) receive offers from the Qualified Bidders; and (iv) negotiate the offers made to purchase the Acquired Assets (collectively, the "Bidding Process"). Except as otherwise provided herein, the Debtors shall have the right, after consultation with each Qualified Bidder, the Term A Lenders, and the Committee to adopt such other rules for the Bidding Process (including rules that may depart from those set forth herein) that will better promote the goals of the Bidding Process, that are consistent with the Debtors' fiduciary duties, and that are not inconsistent with any of the other provisions hereof or of any Bankruptcy Court order; provided, however, that notwithstanding anything contained herein or in any other related pleading, the Debtors may not modify the Bid Procedures in any way that would materially impair the rights of the Stalking Horse Bidder under the Stalking Horse APA or the Term A Lenders.

Designation as Qualified Bidder

In order to be eligible to participate in the Auction (defined below) for the Acquired Assets, each Potential Bidder, other than the Stalking Horse Bidder or its designee or assignee, must be determined by the Debtors, in consultation with the Term A Lenders and the Committee to have submitted a Qualified Bid (each, a "Qualified Bidder"). The Debtors shall have the right, in consultation with the Term A Lenders and the Committee to determine whether a bidder is a Qualified Bidder.

The Stalking Horse Bidder is a Qualified Bidder, and the Stalking Horse Bidder's bid is a Qualified Bid. Subject to the Credit Bid Cap, the Stalking Horse Bidder, or its designee or assignee, is entitled to credit bid (the "Credit Bid") all or a portion of its secured claims against the Debtors, without otherwise complying with the Bid Procedures, to the fullest extent permissible under Bankruptcy Code section 363(k).

In order for any Potential Bidder to be considered a Qualified Bidder (other than the Stalking Horse Bidder and its designee or assignee, who are already considered Qualified Bidders), such Potential Bidder (or a combination of Potential Bidders whose bids for the assets of the Debtors do not overlap and who agree to have their bids combined for the purposes of the determination of whether such Potential Bidders together constitute a Qualified Bidder, and who shall also be referred to herein as a single Qualified Bidder) must submit a written offer (a "Qualified Bid") such that it is received prior to the Bid Deadline and meets the following criteria:

- i. The Same or Better Terms. A bid must be on terms that, in the Debtors' business judgment, in consultation with the Term A Lenders and the Committee, are substantially the same or better than the terms of the Stalking Horse APA; provided, that such bid must include a cash purchase price that, at a minimum, exceeds the aggregate sum of (a) the Stalking Horse Bid, plus (b) the initial overbid amount of \$100,000 (i.e., \$30,100,000) (together, the "Minimum Initial Bid"); provided, further, that notwithstanding anything contained herein or the Bid Procedures Order, Potential Bidders are encouraged to contact the Debtors to discuss modifications and alternatives to the Minimum Initial Bid, including without limitation, Minimum Initial Bids that consist of a combination of cash and secured "take back" notes and/or a bid to sponsor a Chapter 11 plan.
- ii. Executed and Marked Asset Purchase Agreement. A bid must include fully executed Sale documents, pursuant to which the Qualified Bidder proposes to effectuate the contemplated Sale. A bid shall include a redlined copy of the Stalking Horse APA (the "Modified APA") to show all changes requested by the Qualified Bidder, including those related to the purchase price in accordance with subsection (i) above, and identify each and every executory contract and unexpired lease, the assumption and assignment of

which is a condition to closing; provided, however, that any bid to sponsor a Chapter 11 plan must provide a summary of all material terms and otherwise comply with the criteria set forth in this section to constitute a Qualified Bid.

- iii. No Contingencies. A bid may not be conditioned on obtaining internal approval, obtaining financing or on the outcome or review of due diligence, and a bid shall not contain any contingencies to the validity, effectiveness, and/or binding nature of the bid beyond those contained and that remain effective in the Stalking Horse APA.
- iv. Legal Capacity. A bid must be accompanied by documentation that, in the Debtors' reasonable business judgment, in consultation with the Term A Lenders and the Committee, demonstrates that the Potential Bidder has the legal capacity to fund a purchase price in the amount of the Minimum Initial Bid as set forth above, and otherwise consummate the proposed transaction.
- v. Authorization to Bid. Each bid, other than any bid by the Stalking Horse Bidder, must include evidence of authorization and approval from such Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the Modified APA.
- vi. Back-Up Bidder. Each bid must contain an agreement for the Qualified Bidder to be a Back-Up Bidder (defined below).
- vii. No Fees Payable to Qualified Bidder. A bid may not request or entitle the Qualified Bidder to any break-up fee, termination fee, expense reimbursement or similar type of payment.
- viii. Financing Sources. A bid, other than any bid made by the Stalking Horse Bidder, must contain evidence of the ability to consummate the Sale satisfactory to the Debtors, in consultation with the Term A Lenders and the Committee, with appropriate contact information for all such financing sources (whether cash or borrowings) and may not contain any financing contingency (or conditions to borrowings).
- ix. Other Evidence. Each bid, other than any bid made by the Stalking Horse Bidder, must contain evidence satisfactory to the Debtors, in their reasonable discretion, in consultation with the Term A Lenders and the Committee, that the Qualified Bidder (based on availability of financing, experience and other considerations or conditions) will be able to timely consummate the Sale to purchase the Acquired Assets if selected as the Successful Bidder.

- x. Representation of Non-Collusion. Pursuant to Local Rule 6004-1, each bidder participating at the Auction must confirm its Non-Collusion Representation.
- xi. Proof of Ability to Close. Written evidence that enables the Debtors and their representatives to determine, in their reasonable discretion, in consultation with the Term A Lenders and the Committee, that the Potential Bidder has the ability to close the contemplated Sale and provide adequate assurance of future performance under all contracts to be assumed in such contemplated Sale.
- xii. Deposit. Before the Bid Deadline, each Potential Bidder must pay an earnest money cash deposit of ten percent (10%) of the Minimum Initial Bid and any other consideration contained in the relevant Qualified Bid (a "Qualified Bidder Deposit") by cashier's or certified check or wire transfer of immediately available funds (pursuant to instructions to be obtained from Debtors' counsel), which deposit shall be held in escrow in Debtors' counsel's IOLTA trust account in accordance with the terms of an escrow agreement to be provided by the Debtors (in a form acceptable to Debtors' counsel in its sole discretion). A Qualified Bidder Deposit will be refunded only if the bid corresponding with the Qualified Bidder Deposit is not approved by the Bankruptcy Court. The Debtors reserve the right to hold each Qualified Bidder Deposit until five (5) days after the closing of the sale of the Acquired Assets to, as the case may be, the Stalking Horse Bidder or the Successful Bidder.
- xiii. Global Settlement. Each Potential Bidder must agree to assume the obligations of the Stalking Horse Bidder under the Global Settlement (as defined in the final cash collateral order entered by the Court). A copy of the terms of the Global Settlement is attached hereto as Exhibit A.

Bid Deadline

The deadline for a Potential Bidder to submit a bid (other than the Stalking Horse Bidder or its designee or assignee) shall be October 10, 2017 at 12:00 p.m. (ET) (the "Bid Deadline"). A bid received after the Bid Deadline shall not constitute a Qualified Bid. The Term A Lenders have the right to be provided with all bids upon receipt of such bids by the Debtors.

Prior to the Bid Deadline, a Potential Bidder, other than the Stalking Horse Bidder, that desires to make an offer, solicitation or proposal shall deliver written copies of its bid to the Debtors' proposed investment banker, SSG Advisors, LLC, Five Tower Bridge, Suite 420, 300 Barr Harbor Drive, West Conshohocken, Pennsylvania 19428, Attn: J. Scott Victor (e-mail jsvictor@ssgca.com) and proposed counsel to the Debtors, Landis Rath & Cobb LLP, 919

Market Street, Suite 1800, Wilmington, Delaware 19801 (Attn: Adam G. Landis, Esq. (e-mail landis@lrclaw.com) and Matthew B. McGuire, Esq. (e-mail mcguire@lrclaw.com). Counsel to the Debtors shall promptly provide email copies of such bids to (i) counsel to the Committee, Cullen and Dykman LLP, The Legal Center, One Riverfront Plaza, Newark, New Jersey 07102 (Attn: S. Jason Teele, Esq. and Nicole Stefanelli, Esq.) and Whiteford, Taylor & Preston LLC, The Renaissance Centre, 405 North King Street, Suite 500, Wilmington, Delaware 19801 (Attn: Christopher M. Samis, Esq. and L. Katherine Good, Esq.), and (ii) counsel to the Term A Lenders, Curtis, Mallet-Prevost, Colt & Mosle LLP, 101 Park Avenue, New York, New York 10178 (Attn: Steven J. Reisman, Esq. and Shaya Rochester, Esq.) and Richards, Layton & Finger, P.A., 920 North King Street, Wilmington, Delaware 19801 (Attn: Mark D. Collins, Esq.).

AUCTION

Only in the event that the Debtors receive: at least one (1) Qualified Bid (other than that of the Stalking Horse Bidder) by the Bid Deadline, the Debtors shall conduct an auction (the "Auction") of the Acquired Assets to determine the highest or otherwise best bid with respect to the Acquired Assets. No later than 4:00 p.m. (ET) on the day that is one business day before the Auction: (i) the Debtors shall notify all Qualified Bidders (including the Stalking Horse Bidder) and counsel to the Committee whether the Auction will occur; and (ii) in the event an Auction will occur, the Debtors shall provide notice to all Contract Parties containing the identities of all Qualified Bidders. The Auction shall commence at 10:00 a.m. (ET) on October 17, 2017 at the offices of Landis Rath & Cobb, LLP, 919 Market Street, Suite 1800, Wilmington, Delaware 19801. The time and place of the Auction may change with notice. The Debtors shall file notice of any such change with the court not later 10:00 a.m. (ET) on October 16, 2017, and shall serve such notice by email or fax on all creditors who notified debtors' counsel of their intention to attend the auction, as well as on all bidders and Committee counsel.

Participation in the Auction

The only persons or entities who will be permitted to bid at the Auction are the authorized representatives of each Qualified Bidder, including the Stalking Horse Bidder (collectively, the "Auction Participants"). Each Qualified Bidder must attend the Auction in person in order to bid at the Auction. While only the Auction Participants may bid at the Auction, the Auction may be attended and viewed also by the Debtors, their professionals, Auction Participants, the Committee, and its members and professionals. Any creditor wishing to attend the Auction may do so by contacting, no later than October 12, 2017, Landis Rath & Cobb LLP, 919 Market Street, Suite 1800, Wilmington, Delaware 19801, Attn: Joseph Wright (e-mail: wright@lrclaw.com).

The Debtors and their professional advisors shall direct and preside over the Auction. At the beginning of the Auction, the Debtors and their professional advisors will, in consultation with the Term A Lenders and the Committee, announce the highest Qualified Bid received by the Bid Deadline which shall serve as the baseline bid at the Auction (the "Baseline Bid"). All bids made thereafter shall be Overbids (defined below), and shall be made and received on an open basis, and all material terms of each bid shall be fully disclosed to all other Qualified Bidders, including the Stalking Horse Bidder and the Term A Lenders. The Auction shall be transcribed

and all bids shall be made on the record and announced at the Auction, including the Baseline Bid, all Overbids, and the Successful Bid (defined below).

Terms of Overbids

An “Overbid” is any bid made at the Auction subsequent to the Debtors’ announcement of the Baseline Bid. Any Qualified Bidder’s initial Overbid shall be at least \$100,000 in cash (or cash equivalents) in excess of the Baseline Bid, and each subsequent Overbid must be made in increments of at least \$100,000 in cash, cash equivalents or such other consideration that the Debtors deem equivalent, in consultation with the Term A Lenders and Committee, over the previous highest or best bid (the “Minimum Overbid Increment”); provided, however, that the Stalking Horse Bidder’s Overbid may be in the form of an increase in its Credit Bid.

Any Overbid made by a Qualified Bidder (including with respect to any Back-Up Bid (defined below)) must remain open and binding on the Qualified Bidder until and unless the Debtors accept a higher Qualified Bid as an Overbid. The Debtors shall announce at the Auction the material terms of each Overbid and the basis for calculating the total consideration offered in each such Overbid.

Determination and Rejection of Bids

The Debtors, in their reasonable business judgment, after consultation with the Term A Lenders and the Committee, may (a) determine which Qualified Bid, if any, 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 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 Debtors, their estates, their creditors and other stakeholders.

Closing the Auction

Upon conclusion of the bidding process, the Auction shall be closed, and the Debtors, in consultation with the Term A Lenders and 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 the amount of the cash (or cash equivalents) consideration, and (ii) determine, the highest or otherwise best offer for the Acquired Assets (the “Successful Bid”), the entity submitting such Successful Bid (the “Successful Bidder”), the next highest or otherwise best offer after the Successful Bid (the “Back-Up Bid”) and the entity submitting such Back-Up Bid (the “Back-Up Bidder”); and advise the Qualified Bidders of such determinations. The Back-Up Bid shall remain open, and the Back-Up Bidder shall be required to fully perform under such Back-Up Bid, until the earlier of consummation of the Sale with the Successful Bidder or sixty (60) days following the closing date contemplated in the Successful Bid. For the avoidance of doubt, the Stalking Horse Bidder shall not be required to serve as the Back-Up Bidder.

The Debtors shall file notice of the identity of the Successful Bidder, and the Back-up Bidder, and the amount of the Successful Bid and Back-up Bid with the Court no later than three (3) hours after the close of the Auction. At that same time, the Debtors shall serve notice of the

foregoing information by email or fax to all Contract Parties and creditors who requested such information in writing from Debtors' counsel and provided Debtors' counsel with their email addresses or fax numbers by October 12, 2017.

Failure to Close

In the event the Successful Bidder fails to consummate the Sale as a result of the Successful Bidder's default or breach under the applicable purchase agreement in accordance with the terms of such purchase agreement by the closing date contemplated in such purchase agreement, the Debtors shall be: (i) entitled to, among other things, retain the Successful Bidder's Qualified Bidder Deposit as part of the Debtors' damages resulting from the breach or failure to perform by the Successful Bidder (along with any other rights available under such purchase agreement or applicable law); and (ii) be free to enter into a new purchase agreement with the Back-Up Bidder at the purchase price contemplated in the Back-Up Bid.

Following the approval of the Sale of the Acquired Assets to the Successful Bidder at the Sale Hearing, if such Successful Bidder fails to consummate the approved Sale within sixty (60) days after entry of the Sale Order approving the Sale, the Debtors shall be authorized, in consultation with the Term A Lenders and the Committee, but not required, to deem the Back-Up Bid, as disclosed at the Sale Hearing, the Successful Bid, and the Debtors shall be required, to consummate the Sale with the Back-Up Bidder without further order of the Bankruptcy Court.

Consent to Jurisdiction as Condition to Bidding

All Qualified Bidders, including the Stalking Horse Bidder, at the Auction shall be deemed to have consented to the exclusive jurisdiction of the Bankruptcy Court and to have waived any right to a jury trial in connection with any disputes among any Qualified Bidder and the Debtors relating to the Auction and the construction and enforcement of the Qualified Bidder's contemplated Sale documents, as applicable.

Acceptance of Successful Bid

The Debtors' presentation of a particular Qualified Bid to the Bankruptcy Court for approval does not constitute the Debtors' acceptance of such Qualified Bid. Other than as expressly set forth in the Bid Procedures Order, the Debtors will be deemed to have accepted a bid only when the bid has been approved by the Bankruptcy Court at the Sale Hearing. The Debtors shall seek approval by the Bankruptcy Court to consummate the Back-Up Bid, solely in the event the Successful Bidder fails to close the transaction as required and with all rights reserved against the Successful Bidder.

Free of Any and All Encumbrances

As set forth in the Stalking Horse APA, except as otherwise provided for therein or in another Successful Bidder's purchase agreement, the Debtors shall seek to sell all rights, titles and interests in and to the Acquired Assets subject thereto free and clear of all Encumbrances, in accordance with Bankruptcy Code section 363(f), with such Encumbrances to attach to the net proceeds (if any) received by the Debtors from the Sale of the Acquired Assets in accordance with the Bankruptcy Code, applicable non-bankruptcy law, any prior orders of the Bankruptcy Court and, as applicable, the Prepetition Financing Agreement.

Sale Hearing

The Sale Hearing shall be conducted by the Bankruptcy Court on October 18, 2017 at 10:30 a.m. (ET).

Return of Qualified Bidder Deposit

The Qualified Bidder Deposit of the Successful Bidder shall be applied to the purchase price of such Sale at Closing. The Qualified Bidder Deposits of all other Qualified Bidders, other than the Back-Up Bidder, shall be held in a non-interest bearing escrow account until five (5) business days after the closing of the Auction, and thereafter returned to the respective bidders. The Qualified Bidder Deposit of the Back-Up Bidder shall be held in an escrow account and shall be (i) applied to the Purchase Price in the event the Successful Bidder fails to close and the Debtors, in consultation with the Committee, opt to consummate the Sale with the Back-Up Bidder; or (ii) returned to the Back-Up Bidder on the earlier of the date of the Closing with the Successful Bidder or the sixtieth (60th) day following the closing date contemplated in the Successful Bid. In the event of a breach or failure to consummate a Sale with the Successful Bidder, or with the Back-Up Bidder in the event the Successful Bidder fails to consummate a Sale and the Debtors, in consultation with the Committee, determine to consummate the Sale with the Back-Up Bidder, the Debtors shall be entitled to retain the Qualified Bidder Deposit as part of their damages resulting from the breach or failure to perform by the Successful Bidder or Back-Up Bidder, as applicable (along with any other rights available under their respective purchase agreements or applicable law).

Modifications

Except as otherwise provided herein, the Bid Procedures may be modified by the Debtors after consultation with the Term A Lenders and the Committee; provided that all such modifications are disclosed to all Potential Bidders or Qualified Bidders, as applicable, prior to or during the Auction; provided, further, that no such modifications will be contrary to the provisions of the Bid Procedures Order.

The Debtors, in their reasonable business judgment and in a manner consistent with their fiduciary duties, after consultation with the Term A Lenders and the Committee, may (a) determine which Qualified Bid, if any, 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 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 Debtors, their estates, their creditors and other stakeholders; provided, however, that notwithstanding anything contained herein or in any other related pleading, the Debtors may not modify the Bid Procedures in any way that would materially impair the rights of the Stalking Horse Bidder under the Stalking Horse APA or the Term A Lenders.

* * * * *

Exhibit A

Terms of Global Settlement

This term sheet (the “Term Sheet”) sets forth the key settlement terms (the “**Global Settlement**”) agreed to among the Debtors, the Official Committee of Unsecured Creditors (the “**Committee**”), the Term A Lenders and TLA Acquisition Corp. (the “**Buyer**”).¹ The terms set forth in this Term Sheet will be reflected in the Sale Order.

1. **Buyer’s Assumption of Certain Liabilities owed to Trade Creditors**

- a. Trade creditors will receive from the Buyer payments in an amount equal to the lesser of (x) 20% of the aggregate amount of allowed general unsecured claims held by trade creditors and (y) \$200,000.
- b. The general unsecured trade claims above exclude Section 503(b)(9) claims (which are addressed in the Stalking Horse APA), claims held by counterparties to rejected contracts and leases, and other general unsecured claims held by non-trade creditors, as further described below.
- c. Payment will be made by the Buyer pursuant to one unsecured Note with the following terms (the “**Trade Creditors Note**”):
 - i. Principal Amount: the lesser of (x) 20% of the aggregate amount of allowed general unsecured claims held by trade creditors and (y) \$200,000;
 - ii. No interest payments;
 - iii. Term of Trade Creditors Note: four (4) years;
 - iv. Principal payments made in equal installments once per year, beginning on the date that is six months after the closing of the sale under the Buyer’s asset purchase agreement (the “**Closing**”), with each next installment made on the 12 month anniversary of the last payment.
 - v. Any unsecured trade creditor receiving a distribution shall be required to (i) provide a W-9 and (ii) execute an agreement with the Buyer (each, a “**Trade Agreement**”) pursuant to which it agrees to return to normal trade terms existing for that trade creditor 60 days prior to the Petition Date. If a trade creditor does not provide a W-9 and execute a Trade Agreement, it shall not receive a distribution under the Trade Creditors Note. In addition, if a trade creditor breaches its Trade Agreement, no further distributions will be made to that creditor under the Trade Creditors Note.
- d. Cullen and Dykman LLP (“**Cullen**”) shall be responsible for making distributions under the Trade Creditors Note and the Seller Noteholders Note (defined below) (Cullen, in such capacity, the “**Distribution Trustee**”). Cullen and, if any, its representatives and agents shall not request nor be entitled to any compensation for services rendered or expenses incurred in connection with serving as the Distribution Trustee.

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Bid Procedures.

2. Buyer's Assumption of Liabilities owed to Gift Card Holders

- a. At Closing, the Buyer will assume all of the Debtors' undisputed gift card liabilities (other than liabilities arising under escheatment, abandoned property or similar law).

3. Buyer's Assumption of Certain Liabilities owed to Seller Noteholders

- a. Seller Noteholders will receive from the Buyer one unsecured Note in the amount of \$100,000 (the "Seller Noteholders Note").
- b. The Seller Noteholders Note will have following terms:
 - i. Principal Amount: \$100,000;
 - ii. No interest payments;
 - iii. Term of Seller Noteholders: four (4) years;
 - iv. Principal payments made in equal installments once per year, beginning on the date that is six months after the Closing, with each next installment made on the 12 month anniversary of the last payment.
- c. Distributions under the Seller Noteholders Note will be made by the Distribution Trustee.
- d. Upon the Closing of the sale and the receipt of the Seller Noteholders Note (and as will be reflected in the Sale Order), Seller Noteholders shall be deemed to have no claims against the Debtors, the Term A Lenders or other parties in connection with their Seller Notes (i.e., their prepetition notes).

4. Non-Insider Avoidance Actions

- a. At Closing, the Buyer will purchase and release all non-insider avoidance actions.

5. Confirmation of Lien Perfection and Lack of Viable D&O Claims

- a. The Cash Collateral Order has been revised to reflect a new Challenge Period for the Committee – i.e., 14 days from the date of entry of the Final Cash Collateral Order, during which time the Committee will confirm that there are no:
 - i. viable claims and causes of action against the Debtors' directors and officers (collectively, "D&O Claims")
 - ii. defects in the Prepetition Financing Agreement Liens (as defined in the Cash Collateral Order).
- b. The Committee will not investigate or pursue any other potential claims and causes of action.
- c. If the Committee elects to undertake further investigation or commence litigation with respect to D&O Claims or any Proscribed Action (as defined in the Cash Collateral Order), the Global Settlement shall terminate on two days' notice by the Debtors or the Term A Lenders to the Creditors' Committee.

6. Alternative Sale

- a. Each of the parties reserves all of their rights in the event a third-party submits a Qualified Bid which is higher and better than the Stalking Horse Bid; provided, however, nothing in the Global Settlement shall limit the right of the Term A Lenders to consider Qualified Bids that include a purchase price that is less than the Purchase Price in the Stalking Horse APA.

7. UCC Budget

- a. The Approved Budget (as defined in the Cash Collateral Order) has been revised to provide a line item for Committee professionals of \$212,500 (increased from \$150,000).
- b. In no event shall the Committee (including its professionals and members) seek payment of fees, expenses and costs in excess of \$212,500.

8. Shortening Sale Process

- a. In light of the Global Settlement and given that the Debtors' assets were marketed extensively (almost 18 months) before the Petition Date, the Debtors believe, and the parties have agreed, that it is appropriate to shorten the sale process as follows:
 - i. Bid Deadline: October 10, 2017
 - ii. Auction Date (if any): October 17, 2017
 - iii. Sale Hearing: October 18, 2017
- b. Consistent with the Debtors' fiduciary duties, the Debtors may, in consultation with the Committee and the Term A Lenders, extend the foregoing deadlines.

9. Qualified Bids

- a. The Bid Procedures Order has been modified to provide that a Qualified Bid must include the Potential Bidder's agreement to assume the obligations of the Buyer under this Global Settlement.

10. Committee Standstill / Cooperation

- a. Except as provided herein, the Committee shall (i) not object to any action that is consistent with the terms of this Global Settlement, (ii) not investigate or pursue any claims or causes of actions or otherwise undertake any litigation (whether by motion practice or by adversary proceeding) in these Chapter 11 Cases, and (iii) shall take all necessary and appropriate actions to support the Debtors' restructuring.

EXHIBIT 2

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

PEEKAY ACQUISITION, LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 17-11722 (BLS)

(Jointly Administered)

Ref. Nos. _____

**NOTICE OF BID DEADLINE, AUCTION, AND SALE HEARING IN CONNECTION
WITH THE SALE OF SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS²**

NOTICE IS HEREBY GIVEN, as follows:

1. On August 10, 2017, the above-captioned debtors and debtors-in-possession (the “Debtors”) filed a motion (the “Bid Procedures Motion”) with the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) seeking approval of among other things (i) bid procedures (the “Bid Procedures”) in connection with the sale (the “Sale”) of substantially all of the Debtors’ assets (the “Acquired Assets”), (ii) procedures to determine cure amounts and deadlines for objections to certain contracts and leases to be assumed and assigned by the Debtors (the “Cure Procedures”), (iii) the date, time, and place for a sale hearing (the “Sale Hearing”) and for objections to the Sale, and (iv) related relief. On September __, 2017, the Bankruptcy Court entered an order approving the Bid Procedures Motion, the Bid Procedures and the Contract Procedures (the “Bid Procedures Order”).³

2. The Debtors have entered into an asset purchase agreement (the “Stalking Horse APA”) with TLA Acquisition Corp. (the “Stalking Horse Bidder”),⁴ for the Sale of the Acquired

¹ The Debtors, along with the last four digits of each Debtor’s tax identification number, are: Peekay, Inc. (3429); Peekay Boutiques, Inc. (7972); Christals Acquisition, LLC (0391); Peekay Acquisition, LLC (0923); Peekay SPA, LLC (2765); Conrev, Inc. (2441); Condom Revolution, Inc. (6019); Charter Smith Sanhuesa Retail, Inc. (8963); ZJ Gifts F-2, L.L.C. (3565); ZJ Gifts F-3, L.L.C. (3562); ZJ Gifts F-4, L.L.C. (8006); ZJ Gifts F-5, L.L.C. (7062); ZJ Gifts F-6, L.L.C. (4381); ZJ Gifts I-1, L.L.C. (5099); ZJ Gifts M-3, L.L.C. (8925); ZJ Gifts M-1, L.L.C. (7202); and ZJ Gifts M-2, L.L.C. (6643). The Debtors’ corporate headquarters and mailing address is 901 West Main Street, Suite A, Auburn, WA 98001.

² This Notice is subject to the full terms and conditions of the Bid Procedures Motion, the Bid Procedures and the Bid Procedures Order (each as defined below), which shall control in the event of any conflict. The Debtors encourage parties in interest to review such documents in their entirety and consult an attorney if they have questions or want advice.

³ Capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Bid Procedures Order.

⁴ The Stalking Horse Bidder is an entity related to the Debtors’ Term A Lenders. As set forth in the *Verified Statement Pursuant to Bankruptcy Rule 2019* [D.I. 77], the Term A Lenders include: (i) Alpine Associates, A Limited Partnership, (ii) Alpine Heritage, L.P., (iii) Alpine Heritage II, L.P., (iv) Alpine Heritage Offshore Fund Ltd., (v) Chatham Capital Management IV, LLC, on behalf of various managed funds and accounts, (vi) The K2 Principal Fund L.P., (vii) Tor Capital LLC, and (viii) Twin Haven Special Opportunities Fund IV, LP.

Assets free and clear of all liens, claims, encumbrances, defenses (including, without limitation, rights of setoff) and interests, including, without limitation, security interests of whatever kind or nature, mortgages, conditional sales or title retention agreements, pledges, deeds of trust, hypothecations, liens, encumbrances, assignments, preferences, debts, easements, charges, suits, licenses, options, rights-of-recovery, judgments, orders and decrees of any court or foreign or domestic governmental entity, taxes (including foreign, state and local taxes), licenses, covenants, restrictions, indentures, instruments, leases, options, off-sets, claims for reimbursement, contribution, indemnity or exoneration, successor, product, environmental, tax, labor, ERISA, CERCLA, alter ego and other liabilities, causes of action, contract rights and claims, to the fullest extent of the law, in each case, of any kind or nature (including, without limitation, all "claims" as defined in section 101(5) of the Bankruptcy Code), known or unknown, whether pre-petition or post-petition, secured or unsecured, choate or inchoate, filed or unfiled, scheduled or unscheduled, perfected or unperfected, liquidated or unliquidated, noticed or unnoticed, recorded or unrecorded, contingent or non-contingent, material or non-material, statutory or non-statutory, matured or unmatured, legal or equitable to the maximum extent permitted by Bankruptcy Code section 363; but as set forth in the Bid Procedures, the sale of the Acquired Assets remains subject to competing offers from any prospective bidder that submits a Qualified Bid.

3. All interested parties are invited to submit a Qualified Bid and to make offers to purchase the Acquired Assets in accordance with the terms of the Bid Procedures and the Bid Procedures Order. Potential Bidders are encouraged to review the Bid Procedures attached to the Bid Procedures Order carefully and, for further information, are invited to contact the Debtors' proposed investment banker, SSG Advisors, LLC, Five Tower Bridge, Suite 420, 300 Barr Harbor Drive, West Conshohocken, Pennsylvania 19428, Attn: J. Scott Victor (e-mail jsvictor@ssgca.com) (tel.: (610) 940-1094). **The Bid Deadline is October 10, 2017.**

4. Consistent with the Bid Procedures Order, in the event the Debtors receive one or more Qualified Bids in addition to the bid of the Stalking Horse Bidder on or before the Bid Deadline, the Debtors shall conduct the Auction for the purpose of determining the highest or otherwise best bid for the Acquired Assets. **The Auction shall be organized by the Debtors' professionals and conducted at the offices of Landis Rath & Cobb LLP, Wilmington, Delaware beginning at 10:00 a.m. (ET) on October 17, 2017** or such other location and time as may be announced prior to the Auction to all Qualified Bidders, the U.S. Trustee and the official committee of unsecured creditors formed in the Chapter 11 Cases (the "Committee"). The Auction will be recorded and transcribed by an authorized court reporter. If only the Stalking Horse Bidder is a Qualified Bidder as of the Bid Deadline, the Auction will be deemed canceled and the Stalking Horse Bidder shall be deemed the Successful Bidder, and the Debtors will seek authority to consummate the Sale as contemplated in the Stalking Horse APA. The Debtors, their professionals, the Term A Lenders, the Committee, Qualified Bidders and their respective members and professionals, and creditors and their respective counsel, financial advisors, and/or other authorized representatives may attend the Auction. The only persons or entities who will be permitted to bid at the Auction are the authorized representatives of each Qualified Bidder, including the Stalking Horse Bidder. The time and place of the Auction may change with notice. The Debtors shall file notice of any such change with the court not later 10:00 a.m. (ET) on October 16, 2017, and shall serve such notice by email or fax on all creditors

who notified Debtors' counsel of their intention to attend the Auction, in the manner and time set forth in paragraph 5 below, as well as on all bidders and Committee counsel.

5. **Any creditor wishing to attend the Auction may do so by notifying, no later than October 12, 2017, Landis Rath & Cobb LLP, 919 Market Street, Suite 1800, Wilmington, Delaware 19801, Attn: Joseph Wright (e-mail: wright@lrclaw.com), and providing their e-mail address and/or fax number, so as to receive notice of any change in the date, time or location of the Auction.**

6. At the Sale Hearing on October 18, 2017 (ET) or such other time as the Bankruptcy Court shall determine, the Debtors intend to seek the Bankruptcy Court's approval of the sale of the Acquired Assets to the Stalking Horse Bidder pursuant to the terms of the Stalking Horse APA, or to the Successful Bidder at the Auction. In determining the Successful Bidder, in addition to the amount of cash or cash equivalent consideration offered, the Debtors will consider, among other factors, the assumption of liabilities contemplated by each Qualified Bid, certainty of closing, and other factors relating to the value and certainty of the bid. At the Sale Hearing and in connection with the sale to the Successful Bidder, the Debtors will also seek approval of the Global Settlement (as defined in the final cash collateral order entered by the Court and the terms of which are attached to the Bid Procedures and the Notice of Sale Hearing and Terms of Global Settlement). The Sale Hearing will be held before the Honorable Brendan L. Shannon, Judge at the United States Bankruptcy Court for the District of Delaware, 824 Market Street, 6th Floor, Courtroom No. 1, Wilmington, Delaware 19801. The Sale Hearing may be adjourned from time-to-time without further notice to creditors or parties in interest other than by announcement of the adjournment in open court or on the Bankruptcy Court's docket.

7. In the event an Auction will occur, no later than 4:00 p.m. (ET) on the day that is one business day before the Auction, the Debtors shall provide e-mail or fax notice containing the identities of all Qualified Bidders (the "Qualified Bidder Notice") to all Contract Parties who timely submitted a written request for such notice pursuant to the instructions below. The Debtors shall file notice of the identity of the Successful Bidder, and the Back-up Bidder, and the amount of the Successful Bid and Back-up Bid with the Court no later than three (3) hours after the close of the Auction. At that same time, the Debtors shall serve notice of the foregoing information (the "Successful Bidder Notice") by email or fax to all Contract Parties and creditors who have timely requested notice of such information. To receive a copy of the Qualified Bidder Notice and the Successful Bidder Notice, a Contract Party must submit a written request in writing to Debtors' counsel, Landis Rath & Cobb LLP, 919 Market Street, Suite 1800, Wilmington, Delaware, Attn: Joseph D. Wright, Esq. (e-mail: wright@lrclaw.com) and provide Debtors' counsel with their email addresses or fax numbers by no later than October 12, 2017.

8. At the Sale Hearing, the Bankruptcy Court may enter such orders as it deems appropriate under applicable law and as required by the circumstances and equities of this Chapter 11 Case, and the Debtors, subject to the terms of the Successful Bidder's asset purchase agreement, may seek entry of an order which provides, except with respect to any Assumed Liabilities, 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, encumbrances or interests of any kind or nature whatsoever against or in all or any portion of the Acquired Assets (whether legal or equitable, secured or unsecured, matured or unmatured, contingent or non-contingent, liquidated

or unliquidated or subordinate), arising under or out of, in connection with, or in any way relating to the Debtors, the Acquired Assets, the operation of the Debtors' business prior to the Closing Date or the transfer of the Acquired Assets to the Buyer, except as expressly set forth in the Stalking Horse APA with respect to the Assumed Liabilities and Permitted Encumbrances (as defined in the Stalking Horse APA), that all such persons are forever prohibited and permanently enjoined from (i) commencing or continuing in any manner any action or other proceeding, the employment of process, or any act (whether in law or equity, in any judicial, administrative, arbitral, or other proceeding) to collect or recover any interest; (ii) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or order with respect to an interest, (iii) creating, perfecting, or enforcing any interest, or (iv) asserting any right of subrogation of any kind with respect to an interest, in each case as against the Successful Bidder or its designee, any of their respective affiliates or subsidiaries, or any of their respective representatives, or any of their respective property or assets, including the Acquired Assets.

9. The Debtors propose that, to be timely and otherwise eligible for consideration by the Bankruptcy Court, objections, if any, to the Sale of the Acquired Assets or to entry of the form of Sale Order, which will include the terms of the Global Settlement ("Sale Objections"), or the assumption and assignment of executory contracts and unexpired leases pursuant to the terms of the agreement reached between the Debtors and the Stalking Horse Bidder ("Contract Objections") shall be in writing, shall conform to the Federal Rules of Bankruptcy Procedure and the Local Rules of the Bankruptcy Court for the District of Delaware, shall set forth the name of the objecting party, the nature and amount of any claims or interests held or asserted against the Debtors' estates or properties, the basis for the objection and the specific grounds therefore, and shall be filed with the Bankruptcy Court and be served upon: (i) counsel for the Debtors, Landis Rath & Cobb LLP, 919 Market Street, Suite 1800, Wilmington, Delaware 19801 (Attn: Adam G. Landis, Esq. (landis@lrclaw.com) and Matthew B. McGuire, Esq. (mcguire@lrclaw.com)); (ii) counsel to the Term A Lenders, Curtis, Mallet-Prevost, Colt & Mosle LLP, 101 Park Avenue, New York, New York 10178 (Attn: Steven J. Reisman, Esq. (sreisman@curtis.com) and Shaya Rochester, Esq. (srochester@curtis.com) and Richards, Layton & Finger, P.A., 920 North King Street, Wilmington, Delaware 19801 (Attn: Mark D. Collins, Esq. (collins@rlf.com)); (iii) counsel to the Committee, Cullen and Dykman LLP, The Legal Center, One Riverfront Plaza, Newark, New Jersey 07102 (Attn: S. Jason Teele, Esq. (steele@cullenanddykman.com), Nicole Stefanelli, Esq. (nstefanelli@cullenanddykman.com), and Bonnie Pollack (bpollack@cullenanddykman.com)) and Whiteford, Taylor & Preston LLC, The Renaissance Centre, 405 North King Street, Suite 500, Wilmington, Delaware 19801 (Attn: Christopher M. Samis, Esq. (csamis@wtplaw.com) and L. Katherine Good, Esq. (kgood@wtplaw.com)); and (iv) the Office of the United States Trustee, 844 King Street, Suite 2207, Wilmington, Delaware 19801 (Attn: Juliet Sarkessian, Esq. (juliet.M.Sarkessian@usdoj.gov)) (collectively, the "Bid Notice Parties") so that such **Sale Objections and/or Contract Objections are received by no later than 4:00 p.m. (ET) on October 11, 2017.**

10. In the event (a) an Auction is conducted, the deadline for objections related to the conduct of the Auction itself shall be at the Sale Hearing and (b) in the event the Auction results in a Successful Bidder other than the Stalking Horse Bidder, the deadline for objections relating to (i) the form of Sale Order approving such Successful Bidder's asset purchase agreement, and (ii) the proposed asset purchase agreement between the Debtors and such Successful Bidder shall be at the Sale Hearing.

11. In the event the Auction results in a Successful Bidder other than the Stalking Horse Bidder, Contract Parties shall be able to assert an objection at or before the Sale Hearing to the assignment of executory contracts and unexpired leases to such Successful Bidder solely on the grounds that the proposed assignment does not comply with 11 U.S.C. § 365(b)(1)(C), with any such objection that is not resolved prior to or at the Sale Hearing to be heard at a later-scheduled hearing as the Bankruptcy Court deems appropriate.

12. You may obtain a copy of the Motion, the asset purchase agreement with the Stalking Horse Bidder, the Bid Procedures, the Bid Procedures Order, the form of Sale Order, and the Notice of Sale Hearing and Terms of Global Settlement, including all exhibits thereto, free of charge by accessing the website maintained by the Debtor's claims and noticing agent, Rust Consulting/Omni Bankruptcy, at www.omnimgt.com/PeekaySaleDocuments (the "Case Website"). Alternatively, you may obtain copies of these documents by sending a written request to the Debtors' undersigned counsel. Please note that the Case Website is updated regularly and provides access to all pleadings in the Debtors' Chapter 11 Cases.

Dated: September __, 2017
Wilmington, Delaware

LANDIS RATH & COBB LLP

Adam G. Landis (No. 3407)
Matthew B. McGuire (No. 4366)
Joseph D. Wright (No. 5669)
919 Market Street, Suite 1800
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*Counsel to the Debtors and
Debtors-In-Possession*

EXHIBIT 3

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

PEEKAY ACQUISITION, LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 17-11722 (BLS)

(Jointly Administered)

Ref. Nos. _____

**NOTICE OF DEBTORS' INTENT TO ASSUME AND ASSIGN CERTAIN UNEXPIRED
LEASES AND EXECUTORY CONTRACTS AND FIXING OF CURE AMOUNTS**

NOTICE IS HEREBY GIVEN, as follows:

1. On September __, 2017, the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") entered an order (the "Bid Procedures Order")² approving among other things (i) bid procedures (the "Bid Procedures") in connection with the sale of substantially all of the Debtors' assets (the "Acquired Assets") and (ii) procedures to determine cure amounts and deadlines for objections to certain contracts and leases to be assumed and assigned by the Debtors (the "Contract Procedures").³

2. At a hearing on October 18, 2017 at 10:30 a.m. (ET) or such other time as the Bankruptcy Court shall determine (the "Sale Hearing"), the Debtors intend to seek approval of the sale of the Acquired Assets (the "Sale") to TLA Acquisition, Inc. (the "Stalking Horse Bidder"),⁴ pursuant to the terms of an asset purchase agreement between the Debtors and the

¹ The Debtors, along with the last four digits of each Debtor's tax identification number, are: Peekay, Inc. (3429); Peekay Boutiques, Inc. (7972); Christals Acquisition, LLC (0391); Peekay Acquisition, LLC (0923); Peekay SPA, LLC (2765); Conrev, Inc. (2441); Condom Revolution, Inc. (6019); Charter Smith Sanhueza Retail, Inc. (8963); ZJ Gifts F-2, L.L.C. (3565); ZJ Gifts F-3, L.L.C. (3562); ZJ Gifts F-4, L.L.C. (8006); ZJ Gifts F-5, L.L.C. (7062); ZJ Gifts F-6, L.L.C. (4381); ZJ Gifts I-1, L.L.C. (5099); ZJ Gifts M-3, L.L.C. (8925); ZJ Gifts M-1, L.L.C. (7202); and ZJ Gifts M-2, L.L.C. (6643). The Debtors' corporate headquarters and mailing address is 901 West Main Street, Suite A, Auburn, WA 98001.

² Capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Bid Procedures Order and/or the Bid Procedures Motion.

³ You may obtain a copy of the Bid Procedures Motion, the Bid Procedures and the Bid Procedures Order, including all exhibits thereto, free of charge by accessing the website maintained by the Debtors' claims and noticing agent, Rust Consulting/Omni Bankruptcy at www.omnimgt.com/PeekaySaleDocuments (the "Case Website"). Alternatively, you may obtain copies of these documents by sending a written request to the Debtors' undersigned counsel. Please note that the Case Website is updated regularly and provides access to all pleadings in the Debtors' Chapter 11 Cases.

⁴ The Stalking Horse Bidder is an entity related to the Debtors' Term A Lenders. As set forth in the *Verified Statement Pursuant to Bankruptcy Rule 2019* [D.I. 77], the Term A Lenders include: (i) Alpine Associates, A Limited Partnership, (ii) Alpine Heritage, L.P., (iii) Alpine Heritage II, L.P., (iv) Alpine Heritage Offshore Fund Ltd., (v) Chatham Capital Management IV, LLC, on behalf of various managed funds and accounts, (vi) The K2 Principal Fund L.P., (vii) Tor Capital LLC, and (viii) Twin Haven Special Opportunities Fund IV, LP.

Stalking Horse Bidder, or to such other party as is determined pursuant to the Bid Procedures to have submitted the highest or otherwise best bid for the Acquired Assets (the "Successful Bidder"). The Sale Hearing shall be before the Honorable Brendan L. Shannon, Judge at the United States Bankruptcy Court for the District of Delaware, 824 Market Street, 6th Floor, Courtroom No. 1, Wilmington, Delaware 19801. The Sale Hearing may be adjourned, from time to time, without further notice to creditors or parties in interest other than by announcement of the adjournment in open court or on the Bankruptcy Court's docket.

3. The Debtors seek to have the Sale be free and clear of all liens, claims, encumbrances, defenses (including, without limitation, rights of setoff) and interests, including, without limitation, security interests of whatever kind or nature, mortgages, conditional sales or title retention agreements, pledges, deeds of trust, hypothecations, liens, encumbrances, assignments, preferences, debts, easements, charges, suits, licenses, options, rights-of-recovery, judgments, orders and decrees of any court or foreign or domestic governmental entity, taxes (including foreign, state and local taxes), licenses, covenants, restrictions, indentures, instruments, leases, options, off-sets, claims for reimbursement, contribution, indemnity or exoneration, successor, product, environmental, tax, labor, ERISA, CERCLA, alter ego and other liabilities, causes of action, contract rights and claims, to the fullest extent of the law, in each case, of any kind or nature (including, without limitation, all "claims" as defined in section 101(5) of the Bankruptcy Code), known or unknown, whether pre-petition or post-petition, secured or unsecured, choate or inchoate, filed or unfiled, scheduled or unscheduled, perfected or unperfected, liquidated or unliquidated, noticed or unnoticed, recorded or unrecorded, contingent or non-contingent, material or non-material, statutory or non-statutory, matured or unmatured, legal or equitable to the maximum extent permitted by Bankruptcy Code section 363.

4. At the Sale Hearing, the Bankruptcy Court may enter such orders as it deems appropriate under applicable law and as required by the circumstances and equities of this Chapter 11 Cases, and the Debtors, subject to the terms of the Successful Bidders' asset purchase agreement, may seek entry of an order which provides, except with respect to any Assumed Liabilities, 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, encumbrances or interests of any kind or nature whatsoever against or in all or any portion of the Acquired Assets (whether legal or equitable, secured or unsecured, matured or unmatured, contingent or non-contingent, liquidated or unliquidated or subordinate), arising under or out of, in connection with, or in any way relating to the Debtors, the Acquired Assets, the operation of the Debtors' business prior to the Closing Date or the transfer of the Acquired Assets to the Successful Bidder, except as expressly set forth in the Stalking Horse APA with respect to the Assumed Liabilities and Permitted Encumbrances (as defined in the Stalking Horse APA), all such persons are forever prohibited and permanently enjoined from (i) commencing or continuing in any manner any action or other proceeding, the employment of process, or any act (whether in law or equity, in any judicial, administrative, arbitral, or other proceeding) to collect or recover any interest; (ii) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or order with respect to an interest, (iii) creating, perfecting, or enforcing any interest, or (iv) asserting any right of subrogation of any kind with respect to an interest, in each case as against the Successful Bidder or its designee, any of their respective affiliates or subsidiaries, or any of their respective representatives, or any of their respective property or assets, including the Acquired Assets.

5. Pursuant to the Bid Procedures Order and the Contract Procedures approved therein, the Debtors intend to seek approval to assume and assign certain unexpired leases and executory contracts, pursuant to Bankruptcy Code section 365 (collectively, the “Contracts”) to the Stalking Horse Bidder (or any designee thereof) or other Successful Bidder. You have been identified as a party to a Contract (a “Contract Party”) that the Debtors *may* seek to assume and assign. The Contract with respect to which you have been identified as a non-Debtor party is set forth on **Exhibit 1** annexed hereto.

6. The Debtors believe that any and all defaults (other than the filing of this Chapter 11 Case), actual pecuniary losses and any amounts due under the Contract can be cured and satisfied in full by the payment of the cure amounts (the “Cure Amounts”), which are also set forth on **Exhibit 1**. **The inclusion of a Contract on Exhibit 1 hereto is not, and should not be deemed to be, an agreement or acknowledgement by the Debtors that such Contract is an executory contract or unexpired lease under Bankruptcy Code section 365 or that such Contract will be assumed and assigned by the Debtors; the Stalking Horse Bidder has the right up to the Closing to determine whether or not to have your Contract assigned.**

7. Any party objecting to (i) any of the Cure Amounts set forth on Exhibit 1 hereto, and/or (ii) the proposed assumption and assignment of any Contract in connection with the Sale, including, without limitation, the Debtors’ ability to assign the Contract without the Contract Party’s consent, and/or (iii) the adequate assurance of future performance to be provided by the Stalking Horse Bidder (or any designee thereof) or the Successful Bidder, as applicable, must file with the Bankruptcy Court and serve an objection (a “Contract Objection”), in writing, setting forth with specificity any and all obligations that the objecting party asserts must be cured or satisfied in respect to the Contract, and/or any and all objections to the potential assumption and assignment of such Contract, together with all documentation supporting such cure claim or objection, upon: (i) counsel for the Debtors, Landis Rath & Cobb LLP, 919 Market Street, Suite 1800, Wilmington, Delaware 19801 (Attn: Adam G. Landis, Esq. (landis@lrclaw.com) and Matthew B. McGuire, Esq. (mcguire@lrclaw.com)); (ii) counsel to the Term A Lenders, Curtis, Mallet-Prevost, Colt & Mosle LLP, 101 Park Avenue, New York, New York 10178 (Attn: Steven J. Reisman, Esq. (sreisman@curtis.com) and Shaya Rochester, Esq. (srochester@curtis.com) and Richards, Layton & Finger, P.A., 920 North King Street, Wilmington, Delaware 19801 (Attn: Mark D. Collins, Esq. (collins@rlf.com)); (iii) counsel to the Committee, Cullen and Dykman LLP, The Legal Center, One Riverfront Plaza, Newark, New Jersey 07102 (Attn: S. Jason Teele, Esq. (steele@cullenanddykman.com), Nicole Stefanelli, Esq. (nstefanelli@cullenanddykman.com), and Bonnie Pollack (bpollack@cullenanddykman.com)) and Whiteford, Taylor & Preston LLC, The Renaissance Centre, 405 North King Street, Suite 500, Wilmington, Delaware 19801 (Attn: Christopher M. Samis, Esq. (csamis@wtplaw.com) and L. Katherine Good, Esq. (kgood@wtplaw.com)); and (iv) the Office of the United States Trustee, 844 King Street, Suite 2207, Wilmington, Delaware 19801 (Attn: Juliet Sarkessian, Esq. (juliet.M.Sarkessian@usdoj.gov)); **so as to be received before 4:00 p.m. (ET) on October 11, 2017** (the “Contract Objection Deadline”); provided, however, that if the Debtors amend the Cure Notice to add a contract or lease, the Contract Party shall have until the later of (a) fourteen 14 days after service of the Cure Notice, and (b) the Sale Hearing to submit a Contract Objection (the “Amended Contract Objection Deadline”); provided further, that if the Debtors amend the Cure Notice to reduce the Cure Amount of a Contract, except where such reduction was upon mutual agreement of the parties, the Contract Party shall

have until fourteen (14) days after service of the amended Cure Notice to object to the Cure Amount; and provided further, that in the event the Auction results in a Successful Bidder other than the Stalking Horse Bidder, Contract Parties shall be able to assert an objection at or before the Sale Hearing to the assignment of executory contracts and unexpired leases to such Successful Bidder solely on the grounds that the proposed assignment does not comply with 11 U.S.C. § 365(b)(1)(C), with any such objection that is not resolved prior to or at the Sale Hearing to be heard at a later-scheduled hearing as the Bankruptcy Court deems appropriate.⁵

8. In the event an Auction will occur, no later than 4:00 p.m. (ET) on the day that is one business day before the Auction, the Debtors shall provide e-mail or fax notice containing the identities of all Qualified Bidders (the "Qualified Bidder Notice") to all Contract Parties who timely submitted a written request for such notice pursuant to the instructions below. The Debtors shall file notice of the identity of the Successful Bidder, and the Back-up Bidder, and the amount of the Successful Bid and Back-up Bid with the Court no later than three (3) hours after the close of the Auction. At that same time, the Debtors shall serve notice of the foregoing information (the "Successful Bidder Notice") by email or fax to all Contract Parties and creditors who have timely requested notice of such information. To receive a copy of the Qualified Bidder Notice and the Successful Bidder Notice, a Contract Party must submit a written request in writing to Debtors' counsel, Landis Rath & Cobb LLP, 919 Market Street, Suite 1800, Wilmington, Delaware, Attn: Joseph D. Wright, Esq. (e-mail: wright@lrclaw.com) and provide Debtors' counsel with their email addresses or fax numbers by no later than October 12, 2017.

9. Where a Contract Party to a Contract files an objection meeting the requirements of paragraph 6 herein, objecting to the assumption by the Debtors and assignment to the Successful Bidder of such Contract and/or asserting a cure amount higher than the proposed Cure Amount listed on this notice, the Debtors, the Contract Party and the Successful Bidder shall meet and confer in good faith to attempt to resolve any such objection without Bankruptcy Court intervention. In the extent the Contract Objection is not resolved, such Contract Objection will be heard at the Sale Hearing or thereafter. To the extent it is determined that the Cure Amount exceeds the amount set forth on Exhibit 1 hereto, the Successful Bidder may determine not to have such Contract assumed and assigned to it.

10. If no Cure Amount is due, or no other amount is due or owing under the Contract, and the Contract Party to such agreement does not otherwise object to the Debtors' assumption, sale and assignment of such agreement, no further action needs to be taken on the part of that Contract Party.

11. Unless an objection to the assumption and assignment of a Contract is filed and served before the Objection Deadline (or the Amended Contract Objection Deadline, as applicable), all Contract Parties shall be (i) forever barred from objecting to the proposed Cure Amounts and from asserting any additional cure or other amounts (other than as may be asserted in an Additional Cure Notice), and the Debtors and the Successful Bidder shall be entitled to rely solely upon the proposed Cure Amounts set forth in the

⁵ Bankruptcy Code section 365(b)(1)(C) provides: "If there has been a default in an executory contract or unexpired lease of the debtor, the trustee may not assume such contract or lease unless, at the time of assumption of such contract or lease, the trustee provides adequate assurance of future performance under such contract or lease."

Cure Notices; (ii) deemed to have consented to the assumption and assignment of the Contracts; (iii) forever barred and estopped from asserting or claiming against the Debtors or the Successful Bidder that any additional amounts are due or other defaults exist (other than as may be asserted in an Additional Cure Notice), that conditions to assignment must be satisfied under such Contracts, including, without limitation, any consent rights, or that there is any objection or defense to the assumption and assignment of such Contracts, including without limitation adequate assurance of future performance; (iv) precluded from objecting to the Cure Amount (if any) and the assumption and assignment; and (v) barred and estopped from asserting or claiming that their Contract contains an enforceable consent right.

12. The Debtors' decision to assume and assign a Contract is subject to the Stalking Horse Bidder's, or the Successful Bidder's, as applicable, designation in accordance with the Contract Procedures and the Bankruptcy Court's approval of and consummation of the Sale. Absent consummation of the Sale, a Contract shall not be deemed assumed and assigned and shall in all respects be subject to further administration under the Bankruptcy Code. The designation of any agreement as a Contract shall not constitute or be deemed to be a determination or admission by the Debtors or the Successful Bidder that such document is, in fact, an executory contract or unexpired lease within the meaning of the Bankruptcy Code (all rights with respect thereto being expressly reserved).

Dated: September __, 2017
Wilmington, Delaware

LANDIS RATH & COBB LLP

Adam G. Landis (No. 3407)
Matthew B. McGuire (No. 4366)
Joseph D. Wright (No. 5669)
919 Market Street, Suite 1800
Wilmington, Delaware 19801
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Email: landis@lrclaw.com
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wright@lrclaw.com

*Counsel to the Debtors and
Debtors-In-Possession*

EXHIBIT 4

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

PEEKAY ACQUISITION, LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 17-11722 (BLS)

(Jointly Administered)

Ref. Nos. _____

**NOTICE OF DEBTORS' INTENT TO ASSUME
AND ASSIGN CERTAIN ADDITIONAL LEASES AND EXECUTORY
CONTRACTS AND FIXING OF ADDITIONAL CURE AMOUNTS**

NOTICE IS HEREBY GIVEN, as follows:

1. On September __, 2017, the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") entered an order (the "Bid Procedures Order")² approving among other things (i) bid procedures (the "Bid Procedures") in connection with the sale of substantially all of the Debtors' assets (the "Acquired Assets") and (ii) procedures to determine cure amounts and deadlines for objections to certain contracts and leases to be assumed and assigned by the Debtors (the "Contract Procedures").³

2. Pursuant to the Bid Procedures Order and the Contract Procedures approved therein, the non-Debtor parties to the Contracts (the "Contract Parties") had until 4:00 p.m. (ET) on October 11, 2017 to object (a "Contract Objection") to (i) the Cure Amounts listed by the Debtors (other than the Additional Cure Amounts (defined below)) and to propose alternative cure amounts; and/or (ii) the proposed assumption and assignment of the Contracts in connection

¹ The Debtors, along with the last four digits of each Debtor's tax identification number, are: Peekay, Inc. (3429); Peekay Boutiques, Inc. (7972); Christals Acquisition, LLC (0391); Peekay Acquisition, LLC (0923); Peekay SPA, LLC (2765); Conrev, Inc. (2441); Condom Revolution, Inc. (6019); Charter Smith Sanhuesa Retail, Inc. (8963); ZJ Gifts F-2, L.L.C. (3565); ZJ Gifts F-3, L.L.C. (3562); ZJ Gifts F-4, L.L.C. (8006); ZJ Gifts F-5, L.L.C. (7062); ZJ Gifts F-6, L.L.C. (4381); ZJ Gifts I-1, L.L.C. (5099); ZJ Gifts M-3, L.L.C. (8925); ZJ Gifts M-1, L.L.C. (7202); and ZJ Gifts M-2, L.L.C. (6643). The Debtors' corporate headquarters and mailing address is 901 West Main Street, Suite A, Auburn, WA 98001.

² Capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Bid Procedures Order and/or the Bid Procedures Motion.

³ You may obtain a copy of the Bid Procedures Motion, the Bid Procedures and the Bid Procedures Order, including all exhibits thereto, free of charge by accessing the website maintained by the Debtors' claims and noticing agent, Rust Consulting/Omni Bankruptcy at www.omnimgt.com/PeekaySaleDocuments (the "Case Website"). Alternatively, you may obtain copies of these documents by sending a written request to the Debtors' undersigned counsel. Please note that the Case Website is updated regularly and provides access to all pleadings in the Debtors' Chapter 11 Cases.

with the Sale, including, without limitation, the Debtors' ability to assign the Contracts without the Contract Parties' consent or the adequate assurance of future performance to be provided.

3. On October 18, 2017, the Bankruptcy Court entered an order (the "Sale Order") approving the sale of substantially all of the assets of the Debtors free and clear of all liens, claims, encumbrances, defenses (including, without limitation, rights of setoff (except for setoffs exercised prior to the Petition Date) and interests, including, without limitation, security interests of whatever kind or nature, mortgages, conditional sales or title retention agreements, pledges, deeds of trust, hypothecations, liens, encumbrances, assignments, preferences, debts, easements, charges, suits, licenses, options, rights-of-recovery, judgments, orders and decrees of any court or foreign or domestic governmental entity, taxes (including foreign, state and local taxes), licenses, covenants, restrictions, indentures, instruments, leases, options, off-sets, claims for reimbursement, contribution, indemnity or exoneration, successor, product, environmental, tax, labor, ERISA, CERCLA, alter ego and other liabilities, causes of action, contract rights and claims, to the fullest extent of the law, in each case, of any kind or nature (including, without limitation, all "claims" as defined in section 101(5) of the Bankruptcy Code), known or unknown, whether pre-petition or post-petition, secured or unsecured, choate or inchoate, filed or unfiled, scheduled or unscheduled, perfected or unperfected, liquidated or unliquidated, noticed or unnoticed, recorded or unrecorded, contingent or non-contingent, material or non-material, statutory or non-statutory, matured or unmatured, legal or equitable to the maximum extent permitted by Bankruptcy Code section 363 (the "Sale") to the Successful Bidder (the "Buyer"), pursuant to the terms of a purchase agreement with the Buyer.

4. On _____, 2017, the Debtors filed the *Notice of Debtors' Intent to Assume and Assign Certain Unexpired Leases and Executory Contracts and Fixing of Cure Amounts* (the "Initial Cure Notice"). Through this notice, the Debtors hereby supplement the Initial Cure Notice to either add Contract(s) inadvertently omitted from the Initial Cure Notice or to list the additional Cure Amounts (the "Additional Cure Amounts") the Debtors believe are owed with respect to such Contract(s). You have been identified as a party to a Contract the Debtors *may* seek to assume and assign that is listed on the supplemental Contract list attached hereto as **Exhibit 1** (each an "Additional Assumed Contract").

5. Any objections to the Additional Cure Amounts (such objection being the only permissible grounds for objection) must be filed with the Bankruptcy Court and served on: (i) counsel for the Debtors, Landis Rath & Cobb LLP, 919 Market Street, Suite 1800, Wilmington, Delaware 19801 (Attn: Adam G. Landis, Esq. (landis@lrclaw.com) and Matthew B. McGuire, Esq. (mcguire@lrclaw.com)); (ii) counsel to the Term A Lenders, Curtis, Mallet-Prevost, Colt & Mosle LLP, 101 Park Avenue, New York, New York 10178 (Attn: Steven J. Reisman, Esq. (sreisman@curtis.com) and Shaya Rochester, Esq. (srochester@curtis.com) and Richards, Layton & Finger, P.A., 920 North King Street, Wilmington, Delaware 19801 (Attn: Mark D. Collins, Esq. (collins@rlf.com)); (iii) counsel to the Committee, Cullen and Dykman LLP, The Legal Center, One Riverfront Plaza, Newark, New Jersey 07102 (Attn: S. Jason Teele, Esq. (steele@cullenanddykman.com), Nicole Stefanelli, Esq. (nstefanelli@cullenanddykman.com), and Bonnie Pollack (bpollack@cullenanddykman.com)) and Whiteford, Taylor & Preston LLC, The Renaissance Centre, 405 North King Street, Suite 500, Wilmington, Delaware 19801 (Attn: Christopher M. Samis, Esq. (csamis@wtplaw.com) and L. Katherine Good, Esq. (kgood@wtplaw.com)); and (iv) the Office of the United States Trustee, 844 King Street, Suite

2207, Wilmington, Delaware 19801 (Attn: Juliet Sarkessian, Esq. (juliet.M.Sarkessian@usdoj.gov)) so as to actually be received by 4:00 p.m. (ET) on or before _____, 2017 (the "Additional Cure Deadline"), which deadline may be extended in the sole discretion of the Debtors and the Buyer.

6. If no objection to the Additional Cure Amounts is filed by the Additional Cure Deadline, the Bankruptcy Court will enter an order (an "Additional Assumption Order") authorizing the assumption and assignment of the Additional Assumed Contract effective as of the date of this notice. In the event an objection is filed by the Additional Cure Deadline, and the parties cannot consensually agree on the Additional Cure Amounts, the Debtors will seek expedited determination of the objection by the Bankruptcy Court on the first available hearing date.

7. If no Additional Cure Amount is due or you agree with the Additional Cure Amount set forth on **Exhibit 1**, no further action needs to be taken and the Bankruptcy Court will enter an order authorizing the assumption by the Debtors and assignment to the Buyer of the contracts listed on **Exhibit 1**.

Dated: _____, 2017
Wilmington, Delaware

LANDIS RATH & COBB LLP

Adam G. Landis (No. 3407)
Matthew B. McGuire (No. 4366)
Joseph D. Wright (No. 5669)
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*Counsel to the Debtors and
Debtors-In-Possession*

EXHIBIT 5

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

PEEKAY ACQUISITION, LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 17-11722 (BLS)

(Jointly Administered)

Ref. Nos. _____

NOTICE OF SALE HEARING AND TERMS OF GLOBAL SETTLEMENT

TO: (i) the Office of the United States Trustee; (ii) counsel to the Committee; (iii) counsel to the Stalking Horse Bidder; (iv) all known creditors of the Debtors; (v) any party requesting notice pursuant to Bankruptcy Rule 2002; and (vi) all other Sale Notice Parties set forth in the Bid Procedures Order [D.I. ____].

PLEASE TAKE NOTICE that the Bankruptcy Court² has scheduled a hearing to consider approval of the sale of the Acquired Assets to the Stalking Horse Bidder pursuant to the terms of the Stalking Horse APA, or to the Successful Bidder at the Auction, **on October 18, 2017 at 10:30 a.m. (ET)** or such other time as the Bankruptcy Court shall determine (the "Sale Hearing"). The Sale Hearing shall take place at the United States Bankruptcy Court, 824 North Market Street, Wilmington, Delaware 19801, 6th Floor, Courtroom 1, before the Honorable Brendan L. Shannon.

PLEASE TAKE FURTHER NOTICE that the Debtors, the Term A Lenders, the Committee, and the Stalking Horse Bidder have agreed to the terms of the Global Settlement attached hereto as Exhibit A (the "Global Settlement"), which includes, among other things, the Buyer's assumption of certain liabilities held by trade creditors as provided in section 1 of the Global Settlement and the Buyer's assumption of certain liabilities held by the Debtors' seller noteholders as provided in section 3 of the Global Settlement. The terms of the Global Settlement will be incorporated into the form of order approving the sale.

PLEASE TAKE FURTHER NOTICE that, objections, if any, to the proposed sale, including the terms of the Global Settlement, must be filed with the United States Bankruptcy Court, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801, on or before **October 11, 2017 at 4:00 p.m. (ET)** and served on (i) counsel for the Debtors, Landis Rath & Cobb LLP,

¹ The Debtors, along with the last four digits of each Debtor's tax identification number, are: Peekay, Inc. (3429); Peekay Boutiques, Inc. (7972); Christals Acquisition, LLC (0391); Peekay Acquisition, LLC (0923); Peekay SPA, LLC (2765); Conrev, Inc. (2441); Condom Revolution, Inc. (6019); Charter Smith Sanhueza Retail, Inc. (8963); ZJ Gifts F-2, L.L.C. (3565); ZJ Gifts F-3, L.L.C. (3562); ZJ Gifts F-4, L.L.C. (8006); ZJ Gifts F-5, L.L.C. (7062); ZJ Gifts F-6, L.L.C. (4381); ZJ Gifts I-1, L.L.C. (5099); ZJ Gifts M-3, L.L.C. (8925); ZJ Gifts M-1, L.L.C. (7202); and ZJ Gifts M-2, L.L.C. (6643). The Debtors' corporate headquarters and mailing address is 901 West Main Street, Suite A, Auburn, WA 98001.

² Capitalized terms used but not otherwise defined herein shall have the same meanings given to such terms as in the Bid Procedures Order [D.I. ____] or the Global Settlement (defined below), as applicable.

919 Market Street, Suite 1800, Wilmington, Delaware 19801 (Attn: Adam G. Landis, Esq. (landis@lrclaw.com) and Matthew B. McGuire, Esq. (mcguire@lrclaw.com)); (ii) counsel to the Term A Lenders, Curtis, Mallet-Prevost, Colt & Mosle LLP, 101 Park Avenue, New York, New York 10178 (Attn: Steven J. Reisman, Esq. (sreisman@curtis.com) and Shaya Rochester, Esq. (srochester@curtis.com) and Richards, Layton & Finger, P.A., 920 North King Street, Wilmington, Delaware 19801 (Attn: Mark D. Collins, Esq. (collins@rlf.com)); (iii) counsel to the Committee, Cullen and Dykman LLP, The Legal Center, One Riverfront Plaza, Newark, New Jersey 07102 (Attn: S. Jason Teele, Esq. (steale@cullenanddykman.com), Nicole Stefanelli, Esq. (nstefanelli@cullenanddykman.com), and Bonnie Pollack (bpollack@cullenanddykman.com)) and Whiteford, Taylor & Preston LLC, The Renaissance Centre, 405 North King Street, Suite 500, Wilmington, Delaware 19801 (Attn: Christopher M. Samis, Esq. (csamis@wtplaw.com) and L. Katherine Good, Esq. (kgood@wtplaw.com)); and (iv) the Office of the United States Trustee, 844 King Street, Suite 2207, Wilmington, Delaware 19801 (Attn: Juliet Sarkessian, Esq. (juliet.m.sarkessian@usdoj.gov)) **so that any such objection is actually received on or before October 11, 2017 at 4:00 p.m. (ET).**

IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY APPROVE THE SALE AND ENTER THE FORM OF SALE ORDER, WHICH WILL INCLUDE THE TERMS OF THE GLOBAL SETTLEMENT, WITHOUT FURTHER NOTICE OR HEARING.

Dated: September __, 2017
Wilmington, Delaware

LANDIS RATH & COBB LLP

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Matthew B. McGuire (No. 4366)
Joseph D. Wright (No. 5669)
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*Counsel to the Debtors and
Debtors-In-Possession*

Exhibit A

Terms of Global Settlement

This term sheet (the “**Term Sheet**”) sets forth the key settlement terms (the “**Global Settlement**”) agreed to among the Debtors, the Official Committee of Unsecured Creditors (the “**Committee**”), the Term A Lenders and TLA Acquisition Corp. (the “**Buyer**”).¹ The terms set forth in this Term Sheet will be reflected in the Sale Order.

1. **Buyer’s Assumption of Certain Liabilities owed to Trade Creditors**

- a. Trade creditors will receive from the Buyer payments in an amount equal to the lesser of (x) 20% of the aggregate amount of allowed general unsecured claims held by trade creditors and (y) \$200,000.
- b. The general unsecured trade claims above exclude Section 503(b)(9) claims (which are addressed in the Stalking Horse APA), claims held by counterparties to rejected contracts and leases, and other general unsecured claims held by non-trade creditors, as further described below.
- c. Payment will be made by the Buyer pursuant to one unsecured Note with the following terms (the “**Trade Creditors Note**”):
 - i. Principal Amount: the lesser of (x) 20% of the aggregate amount of allowed general unsecured claims held by trade creditors and (y) \$200,000;
 - ii. No interest payments;
 - iii. Term of Trade Creditors Note: four (4) years;
 - iv. Principal payments made in equal installments once per year, beginning on the date that is six months after the closing of the sale under the Buyer’s asset purchase agreement (the “**Closing**”), with each next installment made on the 12 month anniversary of the last payment.
 - v. Any unsecured trade creditor receiving a distribution shall be required to (i) provide a W-9 and (ii) execute an agreement with the Buyer (each, a “**Trade Agreement**”) pursuant to which it agrees to return to normal trade terms existing for that trade creditor 60 days prior to the Petition Date. If a trade creditor does not provide a W-9 and execute a Trade Agreement, it shall not receive a distribution under the Trade Creditors Note. In addition, if a trade creditor breaches its Trade Agreement, no further distributions will be made to that creditor under the Trade Creditors Note.
- d. Cullen and Dykman LLP (“**Cullen**”) shall be responsible for making distributions under the Trade Creditors Note and the Seller Noteholders Note (defined below) (Cullen, in such capacity, the “**Distribution Trustee**”). Cullen and, if any, its representatives and agents shall not request nor be entitled to any compensation for services rendered or expenses incurred in connection with serving as the Distribution Trustee.

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Bid Procedures.

2. **Buyer's Assumption of Liabilities owed to Gift Card Holders**

- a. At Closing, the Buyer will assume all of the Debtors' undisputed gift card liabilities (other than liabilities arising under escheatment, abandoned property or similar law).

3. **Buyer's Assumption of Certain Liabilities owed to Seller Noteholders**

- a. Seller Noteholders will receive from the Buyer one unsecured Note in the amount of \$100,000 (the "**Seller Noteholders Note**").
- b. The Seller Noteholders Note will have following terms:
 - i. Principal Amount: \$100,000;
 - ii. No interest payments;
 - iii. Term of Seller Noteholders: four (4) years;
 - iv. Principal payments made in equal installments once per year, beginning on the date that is six months after the Closing, with each next installment made on the 12 month anniversary of the last payment.
- c. Distributions under the Seller Noteholders Note will be made by the Distribution Trustee.
- d. Upon the Closing of the sale and the receipt of the Seller Noteholders Note (and as will be reflected in the Sale Order), Seller Noteholders shall be deemed to have no claims against the Debtors, the Term A Lenders or other parties in connection with their Seller Notes (i.e., their prepetition notes).

4. **Non-Insider Avoidance Actions**

- a. At Closing, the Buyer will purchase and release all non-insider avoidance actions.

5. **Confirmation of Lien Perfection and Lack of Viable D&O Claims**

- a. The Cash Collateral Order has been revised to reflect a new Challenge Period for the Committee – i.e., 14 days from the date of entry of the Final Cash Collateral Order, during which time the Committee will confirm that there are no:
 - i. viable claims and causes of action against the Debtors' directors and officers (collectively, "**D&O Claims**")
 - ii. defects in the Prepetition Financing Agreement Liens (as defined in the Cash Collateral Order).
- b. The Committee will not investigate or pursue any other potential claims and causes of action.
- c. If the Committee elects to undertake further investigation or commence litigation with respect to D&O Claims or any Proscribed Action (as defined in the Cash Collateral Order), the Global Settlement shall terminate on two days' notice by the Debtors or the Term A Lenders to the Creditors' Committee.

6. Alternative Sale

- a. Each of the parties reserves all of their rights in the event a third-party submits a Qualified Bid which is higher and better than the Stalking Horse Bid; provided, however, nothing in the Global Settlement shall limit the right of the Term A Lenders to consider Qualified Bids that include a purchase price that is less than the Purchase Price in the Stalking Horse APA.

7. UCC Budget

- a. The Approved Budget (as defined in the Cash Collateral Order) has been revised to provide a line item for Committee professionals of \$212,500 (increased from \$150,000).
- b. In no event shall the Committee (including its professionals and members) seek payment of fees, expenses and costs in excess of \$212,500.

8. Shortening Sale Process

- a. In light of the Global Settlement and given that the Debtors' assets were marketed extensively (almost 18 months) before the Petition Date, the Debtors believe, and the parties have agreed, that it is appropriate to shorten the sale process as follows:
 - i. Bid Deadline: October 10, 2017
 - ii. Auction Date (if any): October 17, 2017
 - iii. Sale Hearing: October 18, 2017
- b. Consistent with the Debtors' fiduciary duties, the Debtors may, in consultation with the Committee and the Term A Lenders, extend the foregoing deadlines.

9. Qualified Bids

- a. The Bid Procedures Order has been modified to provide that a Qualified Bid must include the Potential Bidder's agreement to assume the obligations of the Buyer under this Global Settlement.

10. Committee Standstill / Cooperation

- a. Except as provided herein, the Committee shall (i) not object to any action that is consistent with the terms of this Global Settlement, (ii) not investigate or pursue any claims or causes of actions or otherwise undertake any litigation (whether by motion practice or by adversary proceeding) in these Chapter 11 Cases, and (iii) shall take all necessary and appropriate actions to support the Debtors' restructuring.