

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re: Chapter 11  
  
QUIRKY, INC., *et al.*,<sup>1</sup> Case No. 15-12596 (MG)  
  
(Jointly Administered)  
  
Debtors.

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**STIPULATION AND ORDER (I) EXTENDING INITIAL BUDGET; (II)  
MODIFYING BUDGET FOR ACTUAL RESULTS AND PROJECTED FUTURE  
SOURCES AND USES OF CASH COLLATERAL; AND (III) MODIFYING  
VARIANCES PERMITTED BY FINAL CASH COLLATERAL ORDER**

This stipulation and order (the “Stipulation”) is entered into by and between Quirky, Inc., *et al.* (the “Debtors”) and Comerica Bank (the “Prepetition Lender”) (each a “Party” and together, the “Parties”) (i) extending the Initial Budget (as defined below); (ii) modifying the Initial Budget; and (iii) modifying the variances permitted pursuant to the Final Cash Collateral Order (as defined below).

**WHEREAS**, on October 23, 2015, the Court entered the Final Order (I) Authorizing Debtors to Use Cash Collateral, (II) Granting Adequate Protection, and (III) Granting Certain Related Relief [Docket No. 119] (the “Final Cash Collateral Order”); and

**WHEREAS**, paragraph 6 of the Final Cash Collateral Order provides that the Debtors were authorized to use Cash Collateral<sup>2</sup> in accordance with the budget agreed to by the Debtors

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<sup>1</sup> The Debtors in these chapter 11 cases and the last four digits of each Debtor’s taxpayer identification number are as follows: Quirky, Inc. (2873); Wink, Inc. (8826); and Undercurrent Acquisition, LLC (9692). The Debtors’ principal offices are located at 606 West 28th Street, Seventh Floor, New York, NY 10001.

<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Final Cash Collateral Order.

and the Prepetition Lender annexed to the Final Cash Collateral Order as Exhibit 1 (the "Initial Budget"), subject to variances set forth therein (the "Permitted Variances"); and

**WHEREAS**, the Initial Budget was for a 13-week period that ended on December 18, 2015; and

**WHEREAS**, the Parties have engaged in discussions to (i) extend the Initial Budget for an additional 13-week period through March 8, 2015 (the "Extended Budget Period"); (ii) modify the Initial Budget to reflect actual results since the entry of the Final Cash Collateral Order and projected sources and uses of Cash Collateral through the Extended Budget Period; and (iii) to modify the Permitted Variances under the Initial Budget and paragraph 6 of the Final Cash Collateral Order as applicable through the Extended Budget Period;

**NOW THEREFORE**, it is hereby stipulated and agreed by the Parties, through their respective counsel, as follows:

1. The Initial Budget is extended and amended as set forth in the budget annexed hereto as **Exhibit A** (the "Extended Budget") and is approved by the Prepetition Lender in accordance with paragraph 7 of the Final Cash Collateral Order.

2. Notwithstanding any provisions of paragraph 6 of the Final Cash Collateral Order to the contrary, during the Extended Budget Period, the Debtors shall continue to be subject to a cumulative aggregate disbursement variance limitation of ten percent (10%) during the Extended Budget Period; provided that for purposes of determining the cumulative aggregate disbursement limitation set forth in paragraph 7 for any weekly test period, any amounts paid during such test period but budgeted for payment in a future period shall be deemed to have been budgeted for payment during the test period in which it is actually paid at the amount actually paid during such test period, and the applicable line item in the budget for the test period in which such

payment was originally budgeted shall be reduced by the aggregate amount actually paid with respect to such line item during any earlier test periods.

3. Notwithstanding anything to the contrary contained in the Final Cash Collateral Order, the Debtor shall be permitted to use Cash Collateral and pay the accrued, but unpaid administration expenses identified in the Initial Budget or the Extended Budget (including for Professional Fees and Expenses of Professional Persons, subject to the procedures set forth in the Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Retained Professionals) and that are incurred by the Debtors' estate through the date of any Carve-Out Trigger Notice.

4. Notwithstanding anything to the contrary contained in the Final Cash Collateral Order, the Debtors agree that any unencumbered cash held by Quirky, Inc. shall be used by the Debtors to pay expenses permitted under the Extended Budget before any Cash Collateral is used, and all amounts expended under the Extended Budget shall be deemed expended from unencumbered cash held by Quirky, Inc., to the extent of any such unencumbered cash, before any Cash Collateral is expended. For the avoidance of doubt, the "unencumbered cash" referred to in this paragraph shall not include any cash of Wink, Inc. (including cash generated from the assets of Wink, Inc.) or any cash of Undercurrent Acquisition, LLC (including cash generated from the assets of Undercurrent Acquisition, LLC). For the further avoidance of doubt, nothing herein shall be deemed a waiver of the rights of the Debtors of the Committee to seek to surcharge the Prepetition Lender's collateral pursuant to Section 506(c) of the Bankruptcy Code.

5. Except as expressly modified by this Stipulation, each and every provision of the Final Cash Collateral Order shall remain in full force and effect.

6. This Stipulation may be executed in one or more counterparts and by different parties hereto on separate counterparts, and by original or electronic signatures transmitted by PDF, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

7. Each of the undersigned represents that he/she is authorized to execute this Stipulation on behalf of his/her respective clients.

8. The Court shall retain jurisdiction to interpret, enforce and resolve any disputes arising under or related to this Stipulation.

Dated: January 14, 2016

Dated: January 14, 2016

KLESTADT WINTERS JURELLER  
SOUTHARD & STEVENS, LLP

SHEPPARD MULLIN RICHTER &  
HAMPTON LLP

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*Conflicts Counsel to the Debtors*

*Attorneys for Comerica Bank*

**IT IS SO ORDERED.**

Dated: January 19, 2016.  
New York, New York

/s/Martin Glenn  
MARTIN GLENN  
United States Bankruptcy Judge

**Exhibit A**

	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Unpaid Accrued	Forecast Total 13 Weeks
	Forecast 18-Dec 2015	Forecast 25-Dec 2015	Forecast 1-Jan 2016	Forecast 8-Jan 2016	Forecast 15-Jan 2016	Forecast 22-Jan 2016	Forecast 29-Jan 2016	Forecast 5-Feb 2016	Forecast 12-Feb 2016	Forecast 19-Feb 2016	Forecast 26-Feb 2016	Forecast 4-Mar 2016	Forecast 11-Mar 2016		
<b>BEGINNING CASH</b>	\$ 16,230	\$ 15,629	\$ 16,431	\$ 15,825	\$ 15,119	\$ 14,480	\$ 14,365	\$ 14,772	\$ 14,385	\$ 14,028	\$ 13,942	\$ 13,749	\$ 13,513	\$ -	\$ 16,230
<b>Total Cash Receipts</b>	\$ 591	\$ 1,060	\$ -	\$ 25	\$ -	\$ -	\$ 365	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,041
<b>CASH DISBURSEMENTS</b>															
<b>Operating Disbursements:</b>															
Payroll & Fringes	(1)	(66)	(33)	(43)	(1)	(20)	(11)	(20)	(1)	(20)	(1)	(30)	-	(10)	(257)
Temporary Staffing	(43)	-	-	-	(14)	-	-	-	-	(43)	-	-	-	(53)	(153)
Rent & Facilities	-	(4)	(6)	-	-	-	(1)	-	-	-	(1)	-	-	(2)	(15)
Utilities & Telecom	-	(46)	(44)	(2)	(200)	-	-	-	-	(4)	-	(78)	-	(2)	(15)
Taxes & Insurance	(46)	(19)	(30)	(2)	(58)	-	-	-	-	(4)	-	(8)	-	(1)	(278)
Other AP	(132)	(30)	-	-	-	-	-	-	-	-	-	-	-	(1)	(180)
American Express	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	-	(162)
Contingency	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	-	(260)
<b>Total Operating Disbursements</b>	\$ (242)	\$ (138)	\$ (103)	\$ (65)	\$ (293)	\$ (40)	\$ (32)	\$ (40)	\$ (21)	\$ (87)	\$ (22)	\$ (136)	\$ (20)	\$ (66)	\$ (1,304)
<b>Total Financing Disbursements</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Restructuring Disbursements:</b>															
Professional & Trustee Fees	(794)	-	(503)	(21)	(161)	-	-	(347)	(336)	-	-	(300)	(361)	(685)	(3,508)
Critical Vendor & Cure Payments	(156)	(120)	-	-	(185)	-	-	-	-	-	(170)	-	(461)	-	(461)
401(k) & Other Wind-Down	-	-	-	-	-	-	-	-	-	-	-	-	(170)	-	(170)
KEIP/KERP	-	-	-	(646)	-	-	-	-	-	-	-	-	(646)	-	(646)
<b>Total Restructuring Disbursements</b>	\$ (951)	\$ (120)	\$ (503)	\$ (667)	\$ (346)	\$ -	\$ -	\$ (347)	\$ (336)	\$ (87)	\$ (170)	\$ (300)	\$ (361)	\$ (685)	\$ (3,508)
<b>Total Cash Disbursements</b>	\$ (1,192)	\$ (258)	\$ (606)	\$ (732)	\$ (639)	\$ (40)	\$ (32)	\$ (387)	\$ (357)	\$ (87)	\$ (192)	\$ (436)	\$ (381)	\$ (751)	\$ (6,089)
<b>Net Change in Cash</b>	(601)	802	(606)	(707)	(639)	(40)	333	(387)	(357)	(87)	(192)	(436)	(381)	(751)	(4,048)
<b>Ending Cash (Excl. Restricted Cash)</b>	\$ 15,629	\$ 16,431	\$ 15,825	\$ 15,119	\$ 14,480	\$ 14,439	\$ 14,772	\$ 14,385	\$ 14,028	\$ 13,942	\$ 13,749	\$ 13,513	\$ 12,932	\$ (751)	\$ 12,182
Restricted Cash	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	-	1,000
<b>Ending Cash (Incl. Restricted Cash)</b>	\$ 16,629	\$ 17,431	\$ 16,825	\$ 16,119	\$ 15,489	\$ 15,439	\$ 15,772	\$ 15,385	\$ 15,028	\$ 14,942	\$ 14,749	\$ 14,513	\$ 13,932	\$ (751)	\$ 13,182
Wink TSA Deposit Balance	654	560	466	372	278	184	90	-	-	-	-	-	-	-	-
<b>Ending Cash (Incl. Wink TSA Deposits)</b>	\$ 17,283	\$ 17,991	\$ 17,291	\$ 16,491	\$ 15,758	\$ 15,623	\$ 15,862	\$ 15,385	\$ 15,028	\$ 14,942	\$ 14,749	\$ 14,513	\$ 13,932	\$ (751)	\$ 13,182
<b>Ending Unpaid Post-Petition Obligations</b>	\$ 971	\$ 989	\$ 1,122	\$ 1,227	\$ 1,131	\$ 1,250	\$ 1,388	\$ 1,156	\$ 952	\$ 1,018	\$ 1,150	\$ 966	\$ 751	\$ -	\$ -