

- Sharper Image will file a written notice (the "Rejection Notice") to reject a Lease, and will serve the Rejection Notice via Federal Express (or other reputable overnight delivery service) on: (i) the Landlord affected by the Rejection Notice (and any counsel of record to the Landlord); (ii) other interested parties to each Lease sought to be rejected by Sharper Image; (iii) the U.S. Trustee, J. Caleb Boggs Federal Building, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801 (Attn: Joseph J. McMahon, Jr.); (iv) the attorneys for the Secured Lender, Riemer & Braunstein, LLP, Three Center Plaza, Boston, MA 02108 (Attn: David S. Berman) and Richards Layton and Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, DE 19801 (Attn: Mark D. Collins); and (v) the attorneys for the Committee, Cooley Godward Kronish, LLP, The Grace Building, 1114 Avenue of the Americas, New York, NY 10036-7798 (Attn: Jay Indyke and Richard Kanowitz) and Whiteford, Taylor & Preston LLP, 1220 Market Street, Suite 608, Wilmington, DE 19801 (Attn: Meg Manning).
- The Rejection Notice shall be in the form of Exhibit G to the Motion and shall set forth the following information, to the best of Sharper Image's knowledge: (i) the street address of real property that is the subject of the Lease, (ii) the monthly rental obligation, (iii) the remaining term of the Lease, (iv) the name and address of the affected Landlord, and (v) a description of the deadlines and procedures for filing objections to the Rejection Notice.
- Should a party in interest object to Sharper Image's proposed rejection of a Lease, such party must file and serve a written objection so that such objection is filed with this Court and actually received by the following parties (the "Objection Notice Parties") no later than seven days after the date the Rejection Notice is filed: (i) Sharper Image Corporation, 350 The Embarcadero, 6th floor, San Francisco, CA 94105 (Attn: Gregory Boyer); (ii) the attorneys for Sharper Image, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153-0119 (Attn: Harvey R. Miller and Christopher Marcus) and Womble Carlyle Sandridge & Rice, PLLC, 222 Delaware Avenue, Suite 1501, Wilmington, DE 19801 (Attn: Steven K. Kortanek); (iii) the U.S. Trustee, J. Caleb Boggs Federal Building, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801 (Attn: Joseph J. McMahon, Jr.); and (vi) the attorneys for the Committee, Cooley Godward Kronish, LLP, The Grace Building, 1114 Avenue of the Americas, New York, NY 10036-7798 (Attn: Jay Indyke and Richard Kanowitz) and Whiteford, Taylor & Preston LLP, 1220 Market Street, Suite 608, Wilmington, DE 19801 (Attn: Meg Manning).

- Absent an objection being filed in compliance with these Lease Rejection Procedures, the rejection of each Lease shall become effective on the later of (i) the date the applicable Rejection Notice is filed and served and (ii) the date (the "Relinquishment Date") that Sharper Image unequivocally relinquishes control of the premises to the affected Landlord, without further notice, hearing, or order of this Court, except for the Relinquishment Notice (as defined below) to be provided to the affected Landlord.
- If an objection is properly filed and served on the Objection Notice Parties as specified above, Sharper Image will contact the Court to schedule a hearing to consider such objection. If such objection is overruled by the Court or withdrawn, the rejection of the affected Lease(s) shall be deemed effective the later of (i) the date the applicable Rejection Notice is filed and served and (ii) the Relinquishment Date, without further notice, hearing, or order of this Court, except for the Relinquishment Notice to be provided to the affected Landlord; *provided, however*, that if such objection was filed by a party other than the affected Landlord, the rejection of the affected Lease(s) shall be deemed effective as determined by the Bankruptcy Court, or as otherwise agreed by Sharper Image, the affected landlord, and the objecting party.
- Notwithstanding any other provision of this Order, Sharper Image shall not be deemed to have relinquished control of a leased premises until it provides written notice by email, facsimile, or overnight courier (the "Relinquishment Notice") to the affected Landlord and its counsel of record, if any, stating that (i) control of the premises is being unequivocally relinquished and (ii) all of Sharper Image's inventory, furniture, fixtures, equipment, other property and the like (exclusive of any property being abandoned by Sharper Image) has been removed from the premises.
- If an affected Landlord or any other party in interest ("Rejection Claimant") asserts a claim or claims against Sharper Image arising from the rejection of the Lease, such Rejection Claimant shall submit a proof of claim for damages arising from such rejection, if any, to Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, Los Angeles, CA 90245, on or before the later of (i) the date that is 30 days after the effective date of rejection of the Lease or (ii) the bar date established by this Court for filing proofs of claim against Sharper Image. If a Rejection Claimant does not timely file such proof of claim, such claimant shall not be treated as a creditor for purposes of voting and distribution in this chapter 11 case.
- If Sharper Image has deposited funds with a Landlord as a security deposit or other arrangement, such Landlord may not set off or otherwise use such deposit without the prior authority of the Court.

- With respect to any personal property of Sharper Image located at any of the premises subject to any Rejection Notice, Sharper Image shall remove such property prior to the effective date of rejection of the Lease. If Sharper Image determines that the property at a particular location has *de minimis* value or the cost of removing the property exceeds the value of the property, Sharper Image shall generally describe the property in the Rejection Notice and include as a service party any entity that may have an interest in the property to be abandoned. Any Rejection Notice that contains notice of abandonment must be filed and served in accordance with these procedures in order to be effective. Absent a timely objection, the property will be deemed abandoned pursuant to section 554 of the Bankruptcy Code as of the effective date of the rejection of the Lease and the Landlord(s) may dispose of such abandoned property without liability to any third party claiming an interest in such abandoned property.