

Matthew P. Ward (DE Bar No. 4471)
Ericka F. Johnson (DE Bar No. 5024)
Morgan L. Patterson (DE Bar No. 5388)
Nicholas T. Verna (DE Bar No. 6082)
222 Delaware Avenue, Suite 1501
Wilmington, DE 19801
Telephone: (302) 252-4320
Facsimile: (302) 252-4330
E-mail: maward@wcsr.com
E-mail: erjohnson@wcsr.com
E-mail: mpatterson@wcsr.com
E-mail: nverna@wcsr.com

*Proposed Counsel to the Debtors
and Debtors-in-Possession*

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

In re:)
) Chapter 11
)
SCOUT MEDIA, INC., et al.,¹) Case No. 16-13369-MEW
)
Debtors.) Joint Administration Requested
)
)
)

**MOTION OF THE DEBTORS FOR ENTRY OF ORDERS
(I)(A) APPROVING BIDDING PROCEDURES FOR THE SALE OF
SUBSTANTIALLY ALL OF SCOUT MEDIA, INC. AND SCOUT.COM,
LLC’S ASSETS, INCLUDING PROCEDURES FOR SELECTION OF A
STALKING HORSE PURCHASER, (B) SCHEDULING AN AUCTION,
(C) APPROVING THE FORM AND MANNER OF NOTICE THEREOF,
(D) APPROVING ASSUMPTION AND ASSIGNMENT PROCEDURES; AND
(E) SCHEDULING A SALE HEARING AND APPROVING THE FORM AND
MANNER OF NOTICE THEREOF; (II)(A) APPROVING THE SALE OF**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal taxpayer-identification number are: Scout Media Holdings, Inc. (1936), Scout Media, Inc. (1438), FTFS Acquisition, LLC (7230), and Scout.com, LLC (3269). The location of the Debtors’ headquarters and the Debtors’ service address is 122 West 26th Street, Fifth Floor, New York, NY 10036.

**SUBSTANTIALLY ALL OF SCOUT MEDIA, INC. AND SCOUT.COM,
LLC’S ASSETS FREE AND CLEAR OF LIENS, CLAIMS, INTERESTS, AND
ENCUMBRANCES AND (B) APPROVING THE ASSUMPTION AND
ASSIGNMENT OF EXECUTORY CONTRACTS AND UNEXPIRED
LEASES; AND (III) GRANTING RELATED RELIEF**

Scout Media, Inc. and certain of its affiliates, as debtors and debtors in possession (collectively, the “Debtors”), by and through their proposed undersigned counsel, hereby move (the “Motion”) the Court pursuant to sections 105(a), 363, and 365 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”) and Rules 2002, 6004, 6006, 9007, 9008, and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), for entry of an order substantially in the form attached hereto as Exhibit A (the “Bidding Procedures Order”):

- (i) approving the proposed procedures attached as Exhibit 1 to the Bidding Procedures Order (the “Bidding Procedures”) to be used in connection with the sale (the “Sale”) of substantially all of Scout Media, Inc. and Scout.com, LLC’s assets (the “Assets”), including the procedures for the selection of a stalking horse purchaser;
- (ii) scheduling an auction for the Assets (the “Auction”), the hearing with respect to the approval of the sale (the “Sale Hearing”), and approval of the form and manner of notice thereof;
- (iii) authorizing certain procedures related to the Debtors’ assumption and assignment of executory contracts and unexpired leases (the “Assignment Procedures”) in connection with any Sale; and
- (iv) granting related relief.

The Debtors also move the Court, pursuant to Bankruptcy Code sections 105, 363, and 365, and Bankruptcy Rules 2002, 6004, and 6006 for entry of one or more orders in substantially the form attached hereto as Exhibit B (the “Sale Order”):

- (i) authorizing the sale of the Assets to one or more successful bidders at the Auction (each such sale, a “Sale Transaction”) free and clear of all liens, claims, interests, and encumbrances;
- (ii) authorizing the assumption and assignment of certain executory contracts and unexpired leases in connection therewith; and
- (iii) granting related relief.

In support of this motion, the Debtors submit the Declaration of Craig Amazeen in Support of Debtors’ Chapter 11 Petitions and First Day Motions (the “First Day Declaration”)² filed contemporaneously herewith and the Declaration of Andrew De Camara in Support of Debtors’ Sale and Bidding Procedures Motion attached hereto as Exhibit C (the “Sale Declaration”) and respectfully represent as follows:

JURISDICTION AND VENUE

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).
2. Venue in this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

² Capitalized terms used but not defined herein shall have the meanings assigned such terms in the First Day Declaration.

BACKGROUND

A. General Background

3. On December 1, 2016 (the “SMI Petition Date”), an involuntary petition was filed against Scout Media, Inc. (“Scout Media” or “SMI”), and on December 8, 2016 (the “Remaining Debtors’ Petition Date” and, together with the SMI Petition Date, the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors are continuing in possession of their properties and are managing their businesses, as debtors in possession, pursuant to Bankruptcy Code sections 1107(a) and 1108. No official committee of unsecured creditors has been appointed in these cases.

4. Scout Media, Inc. (“Scout Media”), the primary operating company of the Debtors, is a privately held digital sports media company that publishes and distributes content related to the National Football League (the “NFL”), fantasy sports, college football and basketball, high school recruiting, hunting, fishing, outdoors, military, and history. In 2013, Fox Sports sold Scout Media to North American Membership Group Holdings, Inc., the sole owner of Scout Media Holdings, Inc. Since that time, Scout Media emerged as a leader in the digital sports media market with its growth supported by a series of successful partnerships, including its alliance with iHeartMedia in January 2016.

5. Scout Media owns and operates a digital network of 150 team-specific, credentialed publishers, and their respective social communities. These publishers produce premium video and story content on a proprietary network

that enables users to consume the latest news, rankings, and analysis, and engage with other like-minded fans.

6. Scout Media is the only sports network with a full-time video channel for every NFL and major college team. Scout Media produces approximately 11,000 stories and 1,000 premium videos monthly.

7. As described more fully below, in the First Day Declaration, and in the Sale Declaration, it became clear during the summer of 2016 that the Debtors could not continue as they were, and they hired a financial advisor and began a sales process, seeking a buyer for the shares of Scout Media to purchase such shares through an assignment for the benefit of creditors. While many parties expressed an interest in purchasing Scout Media, it became clear that buyers would be more willing to do so through an organized chapter 11 process that includes protections from successor liability. Accordingly, unfortunately, to date no stalking horse bidder has been selected. The Debtors have commenced these chapter 11 cases (collectively, the “Cases”) with the hope of selling the assets of debtors Scout Media and Scout.com, LLC as a going concern in a competitive auction to be held in January 2017. The Debtors intend to continue operating as usual in these Cases during the period leading up to the auction so as to preserve the value of their businesses, thereby encouraging a going concern sale that would save jobs and maximize returns to creditors. Additional information regarding the Debtors and these Cases, including the Debtors’ businesses, corporate structure, financial

condition, and the reasons for and objectives of these cases, is set forth in the First Day Declaration.

B. The Prepetition Sale Process

8. In September 2016, facing liquidity constraints caused by judgment liens and multiple garnishments, the Debtors retained Sherwood Partners, Inc. (“Sherwood”), and in October, Sherwood began to explore and solicit interest in a sale of Scout Media Holdings, Inc.’s stock in Scout Media and Scout.com, LLC. See Sale Decl. ¶ 5. In November 2016, the Debtors and Sherwood determined that a sales process would be more effective through the commencement of chapter 11 cases and the modified the restructuring goal to be a sale of substantially all of Scout Media and Scout.com, LLC’s assets.

9. Sherwood conducted a robust marketing process, canvassing the market and contacting 154 potential strategic and financial buyers that, based on Sherwood’s experience and involvement in the sports marketing arena, might be interested in the Debtors’ businesses. See id. at ¶ 6. This list of potential buyers was developed in concert with the Debtors’ management and Board of Directors (the “Board”), who supplemented the initial list supplied by Sherwood with additional potential purchasers. Additionally, as news of the Debtors’ sale process became public, the Debtors and Sherwood received inquiries from other interested parties and, where appropriate, Sherwood provided diligence and engaged in negotiations with those parties as well.

10. Of the 154 potential strategic and financial buyers Sherwood contacted, twenty (20) parties signed non-disclosure agreements and are in the process of being provided with access to extensive diligence materials. See id. at ¶ 6.

11. Despite varying levels of due diligence and meetings with interested parties, no one has submitted a letter of intent or provided any other definitive sale offer at this time.

C. The Proposed Asset Purchase Agreement

12. The Debtors have prepared a form asset purchase agreement (the “APA,” substantially in the form attached hereto as Exhibit D), which will be provided to all prospective bidders (each, a “Potential Bidder”) in connection with a marketing process for the Assets. Potential Bidders will be required to submit to the Debtors an executed asset purchase agreement (each, a “Modified APA”) reflecting the terms upon which the Potential Bidder would seek to effect a purchase of the Assets and the assumption of certain liabilities as soon as is practicable, but no later than January 17, 2017 at 5:00 p.m. (Prevailing Eastern Time) (the “Bid Deadline”). The Debtors will also entertain entering into an agreement (the “Stalking Horse Agreement”) with a stalking horse purchaser (the “Stalking Horse Purchaser”), as may be determined by the Debtors in their business judgment prior to the hearing on this Motion.

13. Upon the selection of a Stalking Horse Purchaser, if any, the Debtors will file and serve a notice that includes: (i) the identity of the proposed

Stalking Horse Purchaser; (ii) a summary of the key terms of the Stalking Horse Agreement; (iii) a summary of the type and amount of bid protections (the “Bid Protections”), if any, being offered to the proposed Stalking Horse Purchaser; (iv) a summary of any necessary modifications or amendments to the Bid Procedures; and (v) a copy of the Stalking Horse Agreement. In the event a Stalking Horse Purchaser is selected, the Debtors will request that the Court set a hearing to approve any such Stalking Horse Purchaser, Stalking Horse Agreement, and accompanying Bid Protections on an expedited basis.

14. In the event that the Debtors do not select a Stalking Horse Purchaser, the Debtors will provide to the Notice Parties (as defined herein) a summary of the principal terms of any Successful Bids (as defined in the Bid Procedures Order) prior to the Sale Hearing. The Debtors request that the Court schedule the Sale Hearing on January 27, 2017, or such other time that the Court is available. The Debtors may adjourn the Sale Hearing at any time in their discretion without further written notice.

15. The Debtors believe that holding an Auction for the Assets represents the best means to generate value for their estates and maximize creditor returns.

D. The Need for a Timely Process

16. The Debtors propose to conduct the Sale process and Auction on the following timeline:

December 22, 2016	Hearing to Consider Entry of the Bidding Procedures Order
December 23, 2016	Deadline to Serve Sale Notice and Notice of Assumption and Assignment
December 30, 2016	Sale Notice Publication Deadline
January 6, 2017 at 5:00 p.m. (prevailing Eastern Time)	Deadline to file Cure Objections and Assignability Objections
January 17, 2017 at 5:00 p.m. (prevailing Eastern Time)	Bid Deadline
January 18, 2016 at 5:00 p.m. (prevailing Eastern Time)	Deadline for Debtors to notify bidders of their status as Qualified Bidders
January 19, 2017 at 10:00 a.m. (prevailing Eastern Time)	Auction, to be held at the offices of Womble Carlyle Sandridge & Rice, LLP, 222 Delaware Ave., Suite 1501, Wilmington, Delaware
January 20, 2017 at 5:00 p.m. (prevailing Eastern Time)	Deadline to File Auction Results
January 24, 2017 at 5:00 p.m. (prevailing Eastern Time)	Deadline to file objections to Sale Transaction(s) (other than Cure Objections and Assignability Objections)
January 24, 2017 at 5:00 p.m. (prevailing Eastern Time)	Deadline to file Adequate Assurance Objections
January 27, 2017	Proposed hearing to approve proposed Sale Transaction(s)

17. The Debtors believe that conducting the Sale process within the time periods set forth above and in the Bidding Procedures is reasonable and will provide parties with sufficient time and information necessary to formulate a bid to purchase the Assets. In formulating the procedures and time periods, the Debtors balanced the need to provide adequate and appropriate notice to parties in interest and to potential purchasers with the need to quickly and efficiently sell their operations while they still have realizable value and can be maintained as a going

concern. Furthermore, potential bidders will have access to comprehensive information prepared by the Debtors and their advisors and a substantial body of data, inclusive of presentations with Sherwood and the Debtors' management, membership reports, publisher reports, and historical financial data and projections. See Sale Decl. ¶ 8.

18. The failure to adhere to the time periods in the Bidding Procedures could jeopardize the Debtors' ability to maintain their operations during the pendency of the Sale process, which would result in a substantial loss of value for creditors and foreclose any possibility of going concern value being extracted at the Auction. The Debtors' postpetition debtor-in-possession financing (the "DIP Credit Facility") requires the Debtors' to adhere to certain milestones related to the sale process. Failure to adhere to these milestones could result in a loss of financing necessitating an immediate shut down of operations.

19. In addition to the milestones, the Debtors have significant business and financial reasons to move quickly. Even with the DIP Credit Facility, there are limited funds available to the Debtors and they continue to incur expenses every day that a sale transaction is not consummated. The Debtors have balanced the benefits of running an extended auction with their liquidity needs and their ability to maintain going concern operations and are proposing a sale timeline that is designed to maximize value while at the same time limit needless expenditures and the incurrence of administrative expenses, thereby risking a liquidity shortfall that could have a disastrous impact on their businesses. The Debtors have determined, in

their business judgment, that the proposed marketing period, which will allow the Debtors to devote funds to maintaining the business as a going concern, offers the estates the best chance of maintaining value, saving jobs and maximizing returns to creditors. See First Day Decl. ¶ 8.

RELIEF REQUESTED

20. By this Motion, pursuant to Bankruptcy Code sections 105(a), 363, and 365 and Bankruptcy Rules 2002, 6004, 6006, 9007, 9008, and 9014, the Debtors request that the Court:

- (a) enter the Bidding Procedures Order:
 - (i) approving the Bidding Procedures substantially in the form attached as Exhibit 1 to the Bidding Procedures Order;
 - (ii) scheduling the Auction for January 19, 2017;
 - (iii) scheduling the Sale Hearing for January 27, 2017;
 - (iv) authorizing and approving the (A) notice to each non-Debtor counterparty (each, a “Counterparty”) to an executory contract or unexpired lease (collectively, the “Contracts”) of the Debtors’ proposed cure amounts (the “Cure Costs”), substantially in the form attached to the Bidding Procedures Order as Exhibit 2 (the “Assumption and Assignment Notice”) and (B) the procedures for the assumption and assignment of Contracts and the determination of Cure Costs with respect thereto (collectively, the “Assumption and Assignment Procedures”);
 - (v) authorizing and approving the notice of the Auction and Sale Hearing, substantially in the form attached to the Bidding Procedures Order as Exhibit 3 (the “Sale Notice”); and

- (vi) authorizing the Debtors to publish critical content contained in the Sale Notice in the Wall Street Journal, NY Times, or USA Today (the “Publication Notice”); and
- (b) enter the Sale Order:
 - (i) authorizing the sale of the Assets free and clear of all liens, claims, interests, and encumbrances, with liens to attach to the proceeds of such Sale Transaction;
 - (ii) authorizing the assumption and assignment of the Proposed Assumed Contracts (as defined below);
 - (iii) granting relief from the automatic stay and permission to repay the Obligations and Pre-Petition Obligations (each as defined in the Interim Order approving debtor in possession financing), in full, at the close of the Sale; and
 - (iv) granting related relief.

BIDDING PROCEDURES

A. Overview³

21. The Bidding Procedures are intended to provide for a fair, timely, and competitive sale process consistent with the timeline of these Cases. The Bidding Procedures, if approved, will enable the Debtors to identify bids from potential buyers that would constitute the best and highest offer for the Assets. Because the Bidding Procedures are attached to the proposed Bidding Procedures Order as Exhibit 1, they are not stated herein in their entirety. However, certain key terms of the Bidding Procedures are highlighted below:

³ All capitalized terms not defined in this section have the meanings given to such terms in the Bidding Procedures.

<p>Bid Deadline</p>	<p>Any person or entity that desires to participate in the Auction as a Stalking Horse Purchaser must submit its bid (and such bid must constitute a Qualified Bid (as defined below)) on or before the hearing on this Motion (the “Stalking Horse Bid Deadline”) in writing to the Bid Notice Parties set forth in the Bidding Procedures.</p> <p>Unless a bid was submitted pursuant to the Stalking Horse Bid Deadline and that bid was designated the Stalking Horse Bid, any person or entity that desires to participate in the Auction (each, a “Prospective Bidder”), must submit its bid (and such bid must constitute a Qualified Bid (as defined below)) on or before January 17, 2017 at 5:00 p.m. (prevailing Eastern Time) (the “Bid Deadline”) in writing to the Bid Notice Parties set forth in the Bidding Procedures.</p>
<p>Diligence</p>	<p>To be eligible to participate in the Auction, a Prospective Bidder must first deliver (i) an executed confidentiality agreement, in form and substance satisfactory to the Debtors and consistent with the terms of the confidentiality agreements that the Debtors required potential bidders to sign prior to the filing of these Cases, (ii) a statement or other factual support demonstrating to the Debtors’ satisfaction in the exercise of their reasonable business judgment that the Prospective Bidder has a bona fide interest in purchasing the Assets, and (iii) preliminary proof of the Prospective Bidder’s financial capacity to close the proposed sale transaction. Upon execution of a valid confidentiality agreement, any Prospective Bidder identified by the Debtors as reasonably likely to be a Qualified Bidder that wishes to conduct due diligence on the Assets may, in the Debtors’ discretion be granted access to all material information regarding the Assets; <u>provided</u> that, if any Prospective Bidder is (or is affiliated with) a competitor of the Debtors, the Debtors will not be required to disclose to such Prospective Bidder any trade secrets or proprietary information, as determined in their sole discretion. If the Debtors determine that a Prospective Bidder does not qualify as a Qualified Bidder, such Prospective Bidder shall not be entitled to receive due diligence access or additional non-public information.</p>
<p>Qualified Bid Requirements</p>	<p>In order to qualify as a “Qualified Bid,” the bid must be in writing and the Debtors must determine that the bid satisfies the following requirements (and any Prospective Bidder that submits a Qualified Bid satisfying the following requirements shall be a “Qualified Bidder”):</p> <ul style="list-style-type: none"> • <u>Purchased Assets</u>: A Qualified Bid must identify the following: (A) the Assets (or the portion thereof) to be purchased, including any Contracts of the Debtors that would be assumed and assigned in connection with the relevant Sale Transaction (all such executory contracts and unexpired leases, the “Proposed Assumed Contracts”); (B) the liabilities, if any, to be assumed, including any debt to be assumed; (C) the cash purchase price of, and any other consideration offered in connection with, the bid; (D) the proposed form of adequate assurance of future performance with respect to any Proposed Assumed Contracts; and (E) whether the Prospective Bidder intends to operate all or a portion of the Debtors’ business as a going concern (as applicable), or to liquidate the business. • <u>Identification of Bidder</u>: A Qualified Bid must fully disclose the

	<p>legal identity of each person or entity bidding for the applicable Assets or otherwise sponsoring, financing (including through the issuance of debt in connection with such bid), participating in (including through license or similar arrangement with respect to the assets to be acquired in connection with such bid) such bid or the Auction in connection with such bid, and the complete terms of any such participation, and must also disclose any past or present connections or agreements with the Debtors, the Stalking Horse Purchaser, any other known Prospective Bidder or Qualified Bidder, and/or any officer or director of any of the foregoing (including any current or former officer or director of the Debtors).</p> <ul style="list-style-type: none">• <u>Asset Purchase Agreement if There Is a Stalking Horse Purchaser Only</u>: If a Stalking Horse Purchaser is designated and approved, Qualified Bids must include a duly authorized and executed copy of the Stalking Horse APA modified to reflect such Qualified Bidder's proposed Sale Transaction (including all exhibits and schedules thereto), together with copies marked to show any amendments and modifications to (A) the Stalking Horse APA and (B) the proposed Sale Order.• <u>Asset Purchase Agreement if there is no Stalking Horse Purchaser</u>: If no Stalking Horse Purchaser is designated and approved, a Qualified Bid must include a duly authorized and executed copy of the form asset purchase agreement provided by the Debtors (the "Form APA") modified to reflect such Qualified Bidder's proposed Sale Transaction (the "Alternative Transaction Agreement") (including all exhibits and schedules thereto), together with copies marked to show any amendments and modifications to (A) the Form APA and (B) the proposed Sale Order.• <u>Credit Bidding</u>: In connection with the Sale of the Assets, a person or entity holding a properly perfected security interest in such Assets may seek to credit bid some or all of their claims that are not subject to a bona fide dispute for their respective collateral (each such bid, a "Credit Bid") pursuant to Bankruptcy Code section 363(k). A Credit Bid may be applied only to reduce the cash consideration with respect to the Assets in which the party submitting the Credit Bid holds a security interest with respect to which there are no other more senior security interests. Each person or entity holding a valid, properly perfected security interest in Assets with respect to which there are no other more senior security interests for which it submits a bid shall be deemed a Qualified Bidder with respect to its right to acquire such Assets by Credit Bid.• <u>Financial Information</u>: A Qualified Bid must include the following: (A) a statement that the Prospective Bidder is financially capable of consummating the Sale Transaction; (B) if the bid includes a Credit Bid, a statement that any properly perfected more senior security interest will be satisfied in cash and any remaining balance of the bid after reducing the applicable purchase price of the Assets by the amount of the proposed Credit Bid is based on an all-cash offer; and (C) satisfactory evidence of committed financing or other financial
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	<p>ability to consummate the proposed Sale Transaction(s) in a timely manner.</p> <ul style="list-style-type: none">• <u>Good Faith Deposit.</u> Each Qualified Bid (other than one that includes a Credit Bid) must be accompanied by a good faith deposit (the “Good Faith Deposit”) in the form of cash (or other form acceptable to the Debtors in their sole and absolute discretion) in an amount equal to 10% of the purchase price offered to purchase the Assets (or portion thereof). All Good Faith Deposits shall be held in escrow in a non-interest bearing account identified by the Debtors until no later than five business days after the conclusion of the Auction unless such bidder is selected as the Successful Bidder or as a Backup Bidder (as hereinafter defined), and thereafter returned to the respective Qualified Bidders in accordance with the Bidding Procedures. The Debtors reserve the right to increase the Good Faith Deposit for one or more Qualified Bidders (as defined below) in their sole discretion after consulting with the Consultation Parties.⁴• <u>Adequate Assurance.</u> A Qualified Bid must include evidence of the Prospective Bidder’s ability to comply with Bankruptcy Code section 365 (to the extent applicable), including providing adequate assurance of such Prospective Bidder’s ability to perform future obligations arising under the contracts and leases proposed in its bid to be assumed by the Debtors and assigned to the Prospective Bidder, in a form that will permit the immediate dissemination of such evidence to the Counterparties to such contracts and leases.• <u>Representations and Warranties:</u> A Qualified Bid must include the following representations and warranties: (A) expressly state that the Prospective Bidder has had an opportunity to conduct any and all due diligence regarding the Debtors’ businesses and the Assets prior to submitting its bid; and (B) a statement that the Prospective Bidder has relied solely upon its own independent review, investigation, and/or inspection of any relevant documents and the Assets in making its bid and did not rely on any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express or implied, by operation of law or otherwise, regarding the Debtors’ businesses or the Assets or the completeness of any information provided in connection therewith.• <u>Authorization:</u> A Qualified Bid must include evidence of authorization and approval from the Prospective Bidder’s board of directors (or comparable governing body) with respect to the submission, execution, and delivery of a bid, participation in the Auction, and closing of the proposed Sale Transaction(s) in accordance with the terms of the bid and these Bidding Procedures.
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⁴ The “Consultation Parties” are (a) Levy, Small & Lallas and Chipman Brown Cicero & Cole, as counsel to the DIP Lender and (b) counsel for any official committee of unsecured creditors appointed in these Cases.

	<ul style="list-style-type: none"> • Other Requirements: A Qualified Bid shall: (A) expressly state that the bid is formal, binding, not subject to or conditioned on any further due diligence, and irrevocable until the selection of the Successful Bid and the Backup Bid (as defined below) in accordance with these Bidding Procedures; <u>provided</u> that if such Prospective Bidder is selected as the Successful Bidder or Backup Bidder, its bid must remain irrevocable until the Debtors’ consummation of a sale with the Successful Bidder or the Backup Bidder; (B) if the bid is for assets subject to a Stalking Horse Bid, state that the bid is not subject to conditions more burdensome than those in the Stalking Horse APA; (C) expressly state that the Prospective Bidder is committed to closing the proposed Sale Transaction(s) contemplated by the bid as soon as practicable; (D) except for the Bid Protections (as defined in the Bidding Procedures Order) for the Stalking Horse approved in the Bidding Procedures Order, expressly state and acknowledge that no Prospective Bidder shall be entitled to a break-up fee, termination fee, expense reimbursement, or similar type of “bid protection” in connection with the submission of a bid; (E) expressly waive any claim or right to assert any substantial contribution administrative expense claim under Bankruptcy Code section 503(b) in connection with bidding for the Assets and/or participating in the Auction; (F) not contain any financing contingencies of any kind; (G) not contain any condition to closing of the proposed Sale Transaction(s) on the receipt of any third party approvals (excluding Bankruptcy Court approval and any applicable required governmental and/or regulatory approval); (H) state that all necessary filings under applicable regulatory, antitrust, and other laws will be made and that payment of the fees associated therewith shall be made by the Prospective Bidder; (I) expressly state that the Prospective Bidder agrees to serve as a backup bidder (a “Backup Bidder”) if such bidder’s Qualified Bid is selected as the next highest or next best bid after the Successful Bid with respect to the applicable Assets; (J) include contact information for the specific person(s) the Debtors should contact in the event they have any questions about the Prospective Bidder’s bid; and (K) be received by the Bid Notice Parties by the Bid Deadline.
<p>Disqualification of Bids</p>	<p>The Debtors, in their business judgment, and in consultation with the Consultation Parties, reserve the right to reject any bid if such bid, including (without limitation) on the grounds that it: (A) is on terms that are more burdensome or conditional than the terms of the Stalking Horse APA, if any; (B) requires any indemnification of the Prospective Bidder; (C) is not received by the Bid Deadline; (D) is subject to any contingencies (including representations, warranties, covenants, and timing requirements) of any kind or any other conditions precedent to such party’s obligation to acquire the relevant Assets; or (E) does not, in the Debtors’ determination (after consultation with the Consultation Parties), include a fair and adequate price or the acceptance of which would not be in the best interests of the Debtors’ estates.</p>
<p>Selecting Stalking</p>	<p>If a Stalking Horse Bid is received and accepted by the Debtors in their sole</p>

Horse Bidder	<p>discretion after consulting with the Consultation Parties on or prior to the hearing on the Bid Procedures (the “Stalking Horse Bid Deadline”)</p> <p>A hearing to consider approval of the Debtors’ selection of the Stalking Horse Purchaser will be requested on an expedited basis.</p>
Selecting Qualified Bidders	<p>The Debtors shall make a determination regarding which bids qualify as Qualified Bids and as Baseline Bids (as defined below) and shall notify bidders whether they have been selected as Qualified Bidders by no later than January 18, 2017 at 5:00 p.m. (prevailing Eastern Time).</p>
Bid Protections	<p>Other than the Bid Protections that may be provided to a Stalking Horse Purchaser, no party submitting a bid, whether or not such bid is determined by the Debtors to qualify as a Qualified Bid, shall be entitled to a break-up fee or expense reimbursement, or any other bid protection, unless such break-up fee, expense reimbursement, or other bid protection is approved by the Bankruptcy Court</p>
Auction	<p>If the Debtors receive more than one Qualified Bid for the same Assets with acceptable purchase prices by the Bid Deadline, the Debtors shall conduct the Auction. The Auction, if required, will be conducted at the offices of Womble Carlyle Sandridge & Rice, LLP, 222 Delaware Avenue, Suite 1501, Wilmington, DE 19801 on January 19, 2017 at 10:00 a.m. (prevailing Eastern Time) (the “Auction Date”), or at such other time and location as designated by the Debtors, after consulting with the Consultation Parties. The Debtors shall have the right to conduct any number of Auctions on the Auction Date to accommodate multiple bids that comprise a single Qualified Bid, if the Debtors determine, in their reasonable business judgment that conducting such auctions would be in the best interests of the Debtors’ estates. If the Debtors receive no more than one Qualified Bid, the Debtors may cancel the Auction and instead request at the Sale Hearing that the Bankruptcy Court approve the bid proposed by the sole Qualified Bid.</p> <p><u>Transcription.</u> The bidding at the Auction shall be transcribed and the Debtors shall maintain a transcript of all bids made and announced at the Auction.</p> <p><u>Participants and Attendees:</u> Only Qualified Bidders that have submitted Qualified Bids by the Bid Deadline are eligible to participate in the Auction, subject to other limitations as may be reasonably imposed by the Debtors in accordance with the Bidding Procedures. Qualified Bidders participating in the Auction must appear in person at the Auction, or through a duly authorized representative. The Debtors may, in their sole and exclusive discretion, establish a reasonable limit on the number of representatives and/or professional advisors that may appear on behalf of or accompany each Qualified Bidder at the Auction. Each of the Consultation Parties shall be entitled to have a reasonable number of representatives and/or professional advisors attend the Auction.</p> <p>Each Qualified Bidder participating in the Auction will be required to confirm in writing and on the record at the Auction that (A) it has not engaged in any collusion with respect to the submission of any bid or the Auction, and (B) its Qualified Bid represents a binding, good faith, and bona fide offer to purchase the Assets identified in such bid if selected as the Successful Bidder.</p>

<p>Baseline Bid</p>	<p>Bidding shall commence at the amount of the Qualified Bid that the Debtors, in consultation with the Consultation Parties, determine in their business judgment to be the highest or otherwise best Qualified Bid (the “Baseline Bid”). If a Stalking Horse Purchaser is selected and approved, the Stalking Horse Purchaser’s bid shall constitute the Baseline Bid attributable to Assets sought to be purchased by the Stalking Horse Purchaser (the “Stalking Horse Assets”).</p>
<p>Minimum Overbid</p>	<p>Qualified Bidders may submit successive bids higher than the previous bid, based on and increased from the Baseline Bid for the relevant Assets; <u>provided, however</u>, that to the extent that there is more than one Qualified Bid for the Stalking Horse Assets, the bidding for Stalking Horse Assets will start at an amount equal to the proposed purchase price, plus the aggregate amount of the Break Up Fee and the Expense Reimbursement, if any. The minimum required increments for successive Qualified Bids (each such bid, a “Minimum Overbid”) will be announced at the outset of the Auction. The Debtors may, in their reasonable business judgment, and after consulting with the Consultation Parties, announce increases or reductions to Minimum Overbids at any time during the Auction.</p> <p>Except as specifically set forth herein, for the purpose of evaluating the value of the consideration provided by any bid subsequent to a Baseline Bid, the Debtors will, at each round of bidding, give effect to the Bid Protections payable to the Stalking Horse Purchaser under the Stalking Horse APA, if any, as well as any additional liabilities to be assumed by a Qualified Bidder and any additional costs that may be imposed on the Debtors. To the extent that a Minimum Overbid has been accepted entirely or in part because of the addition, deletion, or modification of a provision or provisions in any Stalking Horse APA, the Debtors will identify such added, deleted, or modified provision or provisions and the value thereof.</p>
<p>Leading Bid</p>	<p>After the first round of bidding and between each subsequent round of bidding, the Debtors shall announce the bid that they believe to be the highest or otherwise best offer for the relevant Assets (the “Leading Bid”). Each round of bidding will conclude after each participating Qualified Bidder has had the opportunity to submit a subsequent bid with full knowledge of the Leading Bid.</p> <p>The Auction may include open bidding in the presence of all other Qualified Bidders. All Qualified Bidders shall have the right to submit additional bids and make modifications to their APA at the Auction to improve their bids. The Debtors may, in their reasonable business judgment, negotiate with any and all Qualified Bidders participating in the Auction.</p> <p>The Debtors shall have the right, after consulting with the Consultation Parties, to determine, in their reasonable business judgment, which bid is the highest or otherwise best bid with respect to the applicable Asset(s) and reject at any time, without liability, any bid that the Debtors deem to be inadequate or insufficient, not in conformity with the requirements of the Bankruptcy Code, Bankruptcy Rules, or the Local Bankruptcy Rules for the Southern District of New York, these Bidding Procedures, any order of the Bankruptcy Court, or the best interests of the Debtors and their estates.</p> <p>Any Leading Bid made from time to time by a Qualified Bidder must remain</p>

	<p>open and binding on the Qualified Bidder until and unless (i) the Debtors accept a higher or otherwise better bid submitted by another Qualified Bidder during the Auction as a Leading Bid and (ii) such Leading Bid is not selected as the Backup Bid.</p> <p>To the extent not previously provided (which will be determined by the Debtors), a Qualified Bidder submitting a subsequent bid must submit at the Debtors' request, as part of its subsequent bid, written evidence (in the form of financial disclosure or credit-quality support information or enhancement reasonably acceptable to the Debtors) demonstrating such Qualified Bidder's ability to close the transaction at the purchase price contemplated by such subsequent bid.</p>
Successful Bids	<p>Immediately prior to the conclusion of the Auction, the Debtors shall, in consultation with the Consultation Parties, (A) determine, consistent with the Bidding Procedures, which bid constitutes the highest or otherwise best bid(s) for the applicable Asset(s) (each such bid, a "Successful Bid"); and (B) notify all Qualified Bidders at the Auction for the applicable Asset(s) of the identity of the bidder that submitted the Successful Bid (each such bidder, the "Successful Bidder") for such Asset(s) and the amount of the purchase price and other material terms of the Successful Bid.</p>
Backup Bids	<p>Immediately prior to the conclusion of the Auction, the Debtors may, in consultation with the Consultation Parties, (a) determine, consistent with these Bidding Procedures, which Qualified Bid is the next highest or otherwise best Qualified Bid for the relevant Assets after the Successful Bid (each such Qualified Bid, a "Backup Bid"); and (b) notify all Qualified Bidders at the Auction for the applicable Asset of the identity of the Backup Bidder and the amount of the purchase price and other material terms of the Backup Bid.</p> <p>Backup Bids must remain open until the Debtors' consummation of a sale with the Successful Bidder. If the Successful Bidder for the applicable Assets fails to consummate a Sale Transaction, the Backup Bidder shall be deemed the new Successful Bidder, and the Debtors will be authorized, but not required, to consummate a Sale Transaction for the applicable Assets with the Backup Bidder.</p>
Auction Results	<p>On or before January 20, 2017 at 5:00 p.m. (prevailing Eastern Time), the Debtors shall file with the Bankruptcy Court and serve on the Sale Notice Parties the results of the Auction, which shall include (i) a copy of the Successful Bid and Backup Bid and (ii) the identity of the Successful Bidder and Backup Bidder.</p> <p>On or before January 20, 2017, the Debtors shall file with the Bankruptcy Court and serve on the Sale Notice Parties the Notice of the Proposed Assumed Contracts.</p>
Modification of Procedures	<p>The Debtors may, after consulting with the Consultation Parties, modify the rules, procedures, and deadlines set forth herein (including, without limitation, extending the Bid Deadline, modifying the Qualified Bid Requirements, modifying the procedures for conducting the Auction, rescheduling the Auction, or adjourning the Sale Hearing), or adopt new rules, procedures, and deadlines or otherwise modify these Bidding</p>

	Procedures in order to, in their reasonable discretion, better promote the goals of such procedures, namely, to maximize value for the estates. All such modifications and additional rules will be communicated to each of the Notice Parties, Prospective Bidders, and Qualified Bidders.
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B. Notice Procedures

22. The Debtors request approval of the Sale Notice substantially in the form attached to the Bidding Procedures Order as Exhibit 3. Within two (2) business days of entry of the Bidding Procedures Order, the Debtors will serve the Sale Notice by first class mail or email on: (a) the Consultation Parties (as applicable); (b) all persons and entities known by the Debtors to have expressed an interest to the Debtors in a Sale Transaction involving any of the Assets during the past twelve (12) months, including any person or entity that has submitted a bid for any of the Assets, as applicable; (c) all persons and entities known by the Debtors to have asserted any lien, claim, interest, or encumbrance in the Assets (for whom identifying information and addresses are available to the Debtors); (d) all non-Debtor parties to any Contracts that are proposed to be assumed or rejected in connection with a Sale Transaction; (e) any governmental authority known to have a claim against the Debtors in these chapter 11 cases; (f) the United States Attorney General; (g) the Antitrust Division of the United States Department of Justice; (h) the United States Attorney for the Southern District of New York; (i) the Office of the Attorney General in Washington, Minnesota, New York, and Delaware; (j) the Federal Trade Commission; (k) the office of the United States Trustee for the Southern District of New York; (l) the Internal Revenue Service; (m) the United

States Securities and Exchange Commission; (n) all of the Debtors' known creditors (for whom identifying information and addresses are known to the Debtors); (o) all parties who have filed a notice of appearance and request for service of papers in these chapter 11 cases pursuant to Bankruptcy Rule 2002; and (p) all other persons and entities as directed by the Court.

23. Additionally, the Debtors will cause the material information contained in the Sale Notice to be published in condensed format once in modified and/or condensed form in the Wall Street Journal, New York Times, or USA Today.

24. The Debtors submit that the procedures described above (the "Notice Procedures"), coupled with the Assumption and Assignment Procedures further described below, constitute adequate and reasonable notice of the key dates and deadlines for the Sale, including, among other things, the deadline to object to the Sale of the Assets, assumption and assignment of the Contracts, the Auction, the Bid Deadline, and the Sale Hearing.

ASSUMPTION AND ASSIGNMENT PROCEDURES

25. In connection with any Sale Transaction, the Debtors propose to assume and assign to the Successful Bidder(s) the Proposed Assumed Contracts (defined below). The Assumption and Assignment Procedures will, among other things, notice the Counterparties of the potential assumption and assignment of their Contracts and the Debtors' calculation of Cure Costs with respect thereto. Specifically, the Assumption and Assignment Procedures provide that:

- (a) Assumption and Assignment Notice: Within two (2) business days after the entry of the Bidding Procedures Order, the Debtors shall file with the Bankruptcy Court and serve on the Sale Notice Parties, including each Counterparty to a Contract that may be assumed, in connection with any Sale Transaction the Assumption and Assignment Notice, which shall
- (i) identify the Contracts;
 - (ii) list the Debtors' good faith calculation of Cure Costs with respect to each Contract;
 - (iii) expressly state that assumption or assignment of a Contract is not guaranteed and is subject the agreement of the Successful Bidder and Court approval; and
 - (iv) prominently display the deadline to file objections to the assumption, assignment, or sale of the Debtors' Proposed Assumed Contracts. In the event that the Debtors identify Counterparties that were not served with the Assumption and Assignment Notice, the Debtors may subsequently serve such Counterparty with an Assumption and Assignment Notice, and the following procedures will nevertheless apply to such Counterparty; provided, however, that the deadline to file a Cure Objection or Assignability Objection with respect to such additional Counterparty shall be 5:00 p.m. (prevailing Eastern Time) on the date that is 14 days following service of the Assumption and Assignment Notice.
- (b) Cure Objections and/or Assignability Objections.
- (i) Deadline: Any Counterparty to a Contract that wishes to object to the proposed assumption, assignment, and sale of the Proposed Assumed Contract on any grounds (other than Adequate Assurance Objections, as noted below), including the subject of which objection is either (i) the Debtors' proposed Cure Costs to cure any outstanding monetary defaults then existing under such contract (each, a "Cure Objection") and/or (ii) an objection to the assignability of the Contract, whether on grounds that such contract is not assignable, is not an executory contract or unexpired lease, or otherwise (each, an "Assignability Objection"), shall file with the Bankruptcy Court and serve on the Objection Recipients its Cure Objection and/or Assignability Objection, which must state, with specificity, the legal and factual bases thereof, including any appropriate documentation in support thereof, by no later than

January 6, 2017 at 5:00 p.m. (prevailing Eastern Time).

- (ii) Resolution: The Debtors and a Counterparty that has filed a Cure Objection and/or Assignability Objection shall first confer in good faith to attempt to resolve the Cure Objection and/or Assignability Objection without Court intervention. If the parties are unable to consensually resolve the Cure Objection and/or Assignability Objection prior to the commencement of the Sale Hearing, the amount to be paid or reserved with respect to such Cure Objection and the assignability of the Contract shall be determined by the Bankruptcy Court at the Sale Hearing provided that, a Cure Objection may, at the Debtors' discretion, after consulting with the Consultation Parties and the applicable Successful Bidder, be adjourned (an "Adjourned Cure Objection") to a subsequent hearing. An Adjourned Cure Objection may be resolved after the closing date of the applicable Sale Transaction; provided that, the Debtors maintain a cash reserve equal to the cure amount the objecting Counterparty believes is required to cure the asserted monetary default under the applicable Contract. Upon resolution of an Adjourned Cure Objection and the payment of the applicable cure amount, if any, the applicable Contract that was the subject of such Adjourned Cure Objection shall be deemed assumed and assigned to the applicable Successful Bidder, as of the closing date of the applicable Sale Transaction. All objections to the proposed assumption and assignment of the Debtors' right, title, and interest in, to, and under a Contract will be heard at the Sale Hearing, except with respect to an Adjourned Cure Objection as set forth herein.
- (iii) Failure to Timely Object: If a Counterparty fails to timely file with the Bankruptcy Court and serve on the Objection Recipients a Cure Objection and/or Assignability Objection, the Counterparty shall be deemed to have consented to the assumption, assignment, and sale of the Contract (unless such Counterparty has timely filed an Adequate Assurance

Objection (as defined below) with respect to the Contract, in which case the Counterparty may only object to the Successful Bidder's adequate assurance) to the Successful Bidder and forever shall be barred from asserting any objection with regard to such assumption, assignment, and sale. The Cure Costs set forth in the Assumption and Assignment Notice shall be controlling and will be the only amount necessary to cure outstanding defaults under the Contract under Bankruptcy Code section 365(b), notwithstanding anything to the contrary in any Contract, or any other document, and the Counterparty to the Contract shall be deemed to have consented to the Cure Costs and forever shall be barred from asserting any other claims related to such Contract against the Debtors or any Successful Bidder(s) or their property.

- (c) Proposed Assumed Contracts Notice: No later than one (1) business day after the conclusion of the Auction, the Debtors shall file with the Bankruptcy Court, serve on the Sale Notice Parties, including each applicable Counterparty, a list of the Proposed Assumed Contracts that the Debtors will seek to assume and assign at the Sale Hearing (the "Proposed Assumed Contracts Notice").
- (d) Adequate Assurance Objections.
 - (i) Deadline: Any Counterparty to a Proposed Assumed Contract that wishes to object to the proposed assumption, assignment, and sale of the Proposed Assumed Contract, the subject of which objection is a Successful Bidder's proposed form of adequate assurance of future performance with respect to such contract (each, an "Adequate Assurance Objection"), shall file with the Bankruptcy Court and serve on the Objection Recipients an Adequate Assurance Objection, which must state, with specificity, the legal and factual bases thereof, including any appropriate documentation in support thereof, by no later than **January 24, 2017, at 5:00 p.m. (prevailing Eastern Time)**.

- (ii) Resolution of Objections: The Debtors and a Counterparty that has filed an Adequate Assurance Objection shall first confer in good faith to attempt to resolve the Adequate Assurance Objection without Court intervention. If the parties are unable to consensually resolve the Adequate Assurance Objection prior to the commencement of the Sale Hearing, such objection and all issues of adequate assurance of future performance of the applicable Successful Bidder shall be determined by the Bankruptcy Court at the Sale Hearing.
- (iii) Failure to Timely Object: If a Counterparty fails to timely file with the Bankruptcy Court and serve on the Objection Recipients an Adequate Assurance Objection, the Counterparty shall be deemed to have consented to the assumption, assignment, and sale of the Proposed Assumed Contract (unless the Counterparty has filed a timely Cure Objection and/or Assignability Objection with respect to the Proposed Assumed Contract, the deadline and procedures for resolution and adjudication of which are set forth above) to the Successful Bidder and forever shall be barred from asserting any objection. The Successful Bidder shall be deemed to have provided adequate assurance of future performance with respect to the applicable Proposed Assumed Contract in accordance with Bankruptcy Code section 365(f)(2)(B), notwithstanding anything to the contrary in the Proposed Assumed Contract, or any other document.

BASIS FOR RELIEF

A. The Bidding Procedures Are Appropriate and Are in the Best Interests of the Debtors and their Estates

26. Bankruptcy Rule 6004(f)(1) provides that “[a]ll sales not in the ordinary course of business may be by private sale or by public auction.” The paramount goal of any proposed sale of property of a debtor’s estate is to maximize the value of the sale proceeds received by the estate. See Official Committee of

Unsecured Creditors of Cybergenics Corp. v. Chinery, 330 F.3d 548, 573 (3d Cir. 2003) (the debtor has the “fiduciary duty to maximize the value of the bankruptcy estate.”); Burtch v. Ganz (In re Mushroom Co.), 382 F.3d 325, 339 (3d Cir. 2004) (finding that debtor “had a fiduciary duty to protect and maximize the estate’s assets.”); In re Food Barn Stores, Inc., 107 F.3d 558, 564- 65 (8th Cir. 1997) (“a primary objective of the Code [in asset sales is] to enhance the value of the estate at hand.”) (citing Metropolitan Airports Comm’n v. Northwest Airlines, Inc. (In re Midway Airlines, Inc.), 6 F.3d 492, 494 (7th Cir. 1993) (“Section 365 . . . advances one of the Code’s central purposes, the maximization of the value of the bankruptcy estate for the benefit of creditors.”)).

27. Courts uniformly recognize that procedures established for the purpose of enhancing competitive bidding are consistent with the fundamental goal of maximizing value of a debtor’s estate. See Calpine Corp. v. O’Brien Env’tl. Energy, Inc. (In re O’Brien Env’tl. Energy, Inc.), 181 F.3d 527, 537 (3d Cir. 1999) (noting that bidding procedures that promote competitive bidding provide a benefit to a debtor’s estate); In re Fin’l News Network, Inc., 126 B.R. 152, 156 (Bankr. S.D.N.Y. 1992) (“court-imposed rules for the disposition of assets . . . [should] provide an adequate basis for comparison of offers, and [should] provide for fair and efficient resolution of bankrupt estates.”).

28. The Debtors, with the assistance of their advisors, have structured the Bidding Procedures to attract competitive and active bidding from those parties with the financial capability to do so. The Bidding Procedures will

allow the Debtors to conduct the Auction in a fair, controlled, and transparent manner that will encourage participation by financially capable bidders that demonstrate the financial wherewithal to close a transaction. Accordingly, the Bidding Procedures should be approved as reasonable, appropriate, and in the best interests of the Debtors, their estates, and all parties in interest.

B. Entry into a Sale Transaction is a Sound Exercise of the Debtors' Business Judgment

29. Bankruptcy Code section 363 provides that the debtor may, “after a notice and a hearing . . . use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363. In turn, Bankruptcy Code section 105(a) provides that the court “may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a).

30. While the Bankruptcy Code does not specify the appropriate standard for approving the sale of property under section 363, courts uniformly agree that a business judgment standard applies. See, e.g., Meyers v. Martin (In re Martin), 91 F.3d 389, 395 (3d Cir. 1996) (citing In re Schipper, 933 F.2d 513 (7th Cir. 1991)); In re Chateaugay Corp., 973 F.2d 141, 143 (2d Cir. 1992); Stephen Indus., Inc. v. McClung, 789 F.2d 386 (6th Cir. 1986); Committee of Equity Security Holders v. Lionel Corp. (In re Lionel Corp.), 722 F.2d 1063, 1071 (2d Cir. 1983). Courts typically apply four factors in determining whether a section 363 sale is appropriate, namely whether: (a) a sound business justification exists for the sale; (b) adequate

and reasonable notice of the sale was provided to interested parties; (c) the sale will produce a fair and reasonable price for the property; and (d) the parties have acted in good faith. Id. at 1070 (setting forth the “sound business” purpose standard for the sale of the debtor’s assets under section 363 of the Bankruptcy Code); In re Decora Indus., Inc., Case No. 00-4459, 2002 WL 32332749, at *2 (D. Del. May 20, 2002) (adopting Lionel factors) (citing Guilford Trans. Indus., Inc. v. Del. & Hudson Ry. Co. (In re Del. & Hudson Ry. Co.), 124 B.R. 169, 176 (D. Del. 1991) (listing non-exclusive factors that may be considered by a court in determining whether there is a sound business purpose for an asset sale)). As such, it follows that when a debtor demonstrates a valid business justification for a decision, the presumption is that the business decision was made “on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the company.” Official Comm. of Subordinated Bondholders v. Integrated Res. Inc. (In re Integrated Res., Inc.), 147 B.R. 650, 656 (S.D.N.Y. 1990) (quoting Smith v. Van Gorkcom, 488 A.2d 858, 872 (Del. 1985)).

1. The Debtors Have Demonstrated a Sound Business Justification for the Sale of the Assets

31. A sound business justification exists where a sale of the debtor’s assets is necessary to preserve the value of a Debtor’s estates. See, e.g., In re Del. & Hudson Ry. Co., 124 B.R. at 179 (approving the sale of the debtor as a going concern upon a showing of “a valid business purpose . . .”); In re Lionel Corp., 722 F.2d at 1071 (adopting a rule “requiring that a judge determining a § 363(b)

application expressly find from the evidence presented before him . . . a good business reason to grant” the sale).

32. As set forth above, in the First Day Declaration and in the Sale Declaration, the Debtors have demonstrated a sound business justification for entry into any Sale Transaction that may result from the Auction. The Debtors are no longer able to operate their businesses as currently constituted without near-constant infusions of cash. A sale is necessary to rehabilitate the business in order to maximize the value of the Assets, consistent with the Debtors’ fiduciary duties to their economic stakeholders.

2. The Notice Procedures Are Appropriate and Comply with Bankruptcy Rule 2002

33. Bankruptcy Rule 2002 (a) and (c) require the Debtors to notify creditors of the Sale, including a disclosure of the time and place of any auction, the terms and conditions of the sale and the deadline for filing any objections.

34. The Debtors submit that the Notice Procedures comply with Bankruptcy Rule 2002 and are reasonably calculated to provide all creditors and known parties in interest with adequate and timely notice of a Sale Transaction, the Bidding Procedures, the Auction and the Sale Hearing. Moreover, the Debtors are publishing the material information contained in the Publication Notice in the Wall Street Journal, New York Times or USA Today. The Debtors request that the Court approve the Notice Procedures as set forth herein, including the form and manner of

the Sale Notice and that no other further notice of the Bidding Procedures, the Auction, and the Sale Hearing is necessary or required.

3. The Proposed Sale Will Yield a Fair and Reasonable Purchase Price

35. As set forth above, the Debtors believe that the proposed Sale will yield a fair and reasonable price for the Assets. The Bidding Procedures were carefully designed to ensure that the Auction, if necessary, will yield the maximum value for the Debtors' economic stakeholders. The Debtors have constructed the Bidding Procedures to encourage competitive bidding, while giving the Debtors the opportunity to review and analyze all competitive bids, only from Qualified Bidders, who will have been vetted prior to the Auction. These carefully constructed measures will prevent any bid that does not constitute a fair and adequate purchase price for the Assets or any combination thereof.

36. Further, parties in interest will have the opportunity to conduct in-depth diligence as set forth in the Bidding Procedures. These parties will also have the opportunity to bid on a combination of, substantially all or a portion of the Assets.

4. The Bidding Procedures Ensure a Good Faith Process and the Ultimate Purchaser of the Assets Is Entitled to the Protections of Bankruptcy Code Section 363(m)

37. Bankruptcy Code section 363(m) is designed to protect the sale of a debtor's assets to a good faith purchaser. Specifically, section 363(m) provides that:

The reversal or modification on appeal of an authorization under subsection (b) or (c) of this section of a sale or lease of property does not affect the validity of a sale or lease under such authorization to an entity that purchased or leased such property in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and such sale . . . were stayed pending appeal.

11 U.S.C. § 363(m).

38. While the Bankruptcy Code does not define good faith, the United States Court of Appeals for the Third Circuit has held that indices of bad faith typically include “fraud, collusion between the purchaser and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders.” Cumberland Farms Dairy, Inc. v. Abbotts Dairies of Penn., Inc. (In re Abbotts Diaries of Penn., Inc.), 788 F.2d 143, 147 (3d Cir. 1986) (quoting Hoese Corp. v. Vetter Corp. (In re Vetter Corp.), 724 F.2d 52, 55 (7th Cir. 1983) (other citations omitted); see also Kabro Assoc. of West Islip, L.L.C. v. Colony Hill Assocs. (In re Colony Hill Assocs.), 111 F.3d 269, 276 (2d Cir. 1997) (noting that the type of “misconduct that would destroy a [purchaser]’s good faith status at a judicial sale involves fraud,

collusion between the [purchaser] and other bidders or the trustee or an attempt to take grossly unfair advantage of other bidders.”).

39. The Bidding Procedures were designed with the goal of producing a fair and transparent bidding process to allow the Debtors to generate the best offer for the Assets. The Successful Bidder(s) and the Debtors will have negotiated at arm’s-length and in good faith for the purchase of the Assets, backed by the Court-approved Auction. As such, the Debtors request that the ultimate purchaser of the Assets be entitled to the protections of Bankruptcy Code section 363(m).

C. The Sale of the Assets Free and Clear of Liens, Claims, Interests, and Encumbrances Is Appropriate under Bankruptcy Code Section 363(f)

40. Bankruptcy Code section 363(f) authorizes a debtor to sell assets free and clear of each lien, claim, interest, and encumbrance provided that one of the following conditions are met:

- a. applicable non-bankruptcy law permits sale of such property free and clear of such interest;
- b. the entity holding each such interest consents;
- c. such interest is a lien and the price at which such property is to be sold is greater than the value of all liens on such property;
- d. such interest is in bona fide dispute; or
- e. such entity could be compelled, in legal or equitable proceeding, to accept a money satisfaction of such interest.

11 U.S.C. § 363(f)(1) – (5).

41. The Debtors represent that, whatever Sale Transaction is pursued, such Sale Transaction will satisfy one of the five requirements set forth under Bankruptcy Code section 363(f), including (without limitation) that the holder of each lien on the Assets will consent to the sale or the purchase price will be at least as much as the actual value of any such lien. As such, the Debtors may sell the Assets free and clear of any and all liens, claims, and encumbrances. Any lien holder will be adequately protected by attachment of its lien to the net proceeds of the Sale Transaction, subject to any claims and defenses that the Debtors may have with respect thereto. Accordingly, the Debtors request that the Court authorize the Debtors to sell the Assets free and clear of any liens, claims, interests, and encumbrances in accordance with Bankruptcy Code section 363(f).

D. Assumption and Assignment of Executory Contracts

42. Bankruptcy Code section 365(a) provides that a debtor “subject to the court’s approval, may assume or reject any executory contract . . .” 11 U.S.C. § 365(a).

43. Courts employ a business judgment standard in determining whether to approve a debtor’s decision to assume or reject an executory contract. See, e.g., In re HQ Global Holdings, Inc., 290 B.R. 507, 511 (Bankr. D. Del. 2003) (finding that debtor’s decision to assume or reject executory contract is governed by business judgment standard and can only be overturned if decision was product of bad faith, whim, or caprice); In re Market Square Inn, Inc., 978 F.2d 116, 121 (3d Cir. 1992) (finding that assumption or rejection of lease “will be a matter of business

judgment by the bankruptcy court. . .”). The business judgment test “requires only that the trustee [or debtor in possession] demonstrate that [assumption] or rejection of the contract will benefit the estate.” Wheeling-Pittsburgh Steel Corp. v. West Penn Power Co. (In re Wheeling-Pittsburgh Steel Corp.), 72 B.R. 845, 846 (Bankr. W.D. Pa. 1987).

44. At the Auction, the Debtors propose to assume and assign the Contracts to the Successful Bidder(s) as part of the Sale Transaction(s). Assumption of the Proposed Assumed Contracts is a sound exercise of the Debtors’ business judgment. Assuming and assigning the Proposed Assumed Contracts will enable the Debtors to garner the highest or otherwise best offer for the Assets, by enabling the Debtors to offer parties in interest with a combination of Contracts that are in some instances an integral part of the Assets that the Debtors seek to sell.

45. Bankruptcy Code section 365(f) requires, in part, that the assignee of any executory contract provide “adequate assurance of future performance . . . whether or not there has been a default in such contract.” 11 U.S.C. § 365(f)(2). Section 365(b), which codifies the requirements for assuming an executory contract, provides, in pertinent part that the debtor may only assume an executory contract if it:

(A) cures, or provides adequate assurance that the [debtor] will promptly cure[s] [any defaults existing under the executory contract];

(B) compensates, or provides adequate assurance that the [debtor] will promptly compensate, a party other than the debtor to such contract . . . for any actual

pecuniary loss to such party resulting from such default; and

(C) provides adequate assurance of future performance under such contract or lease.

11 U.S.C. § 365(b).

46. While undefined by the Bankruptcy Code, adequate assurance is guided by “a practical, pragmatic construction based upon the facts and circumstances of each case.” Carlisle Homes, Inc. v. Azzari (In re Carlisle Homes, Inc.), 103 B.R. 524, 538 (Bankr. D.N.J. 1988) (quoting In re Bon Ton Restaurant & Pastry Shop, Inc., 53 B.R. 789, 803 (Bankr. N.D. Ill. 1995)); see also In re Alipat, Inc., 36 B.R. 274, 276-77 (Bankr. E.D. Mo. 1984) (recognizing that the term adequate assurance “borrowed its critical language . . . from Section 2-609 of the Uniform Commercial Code” which “suggest[s] that adequate assurance is to be defined by commercial rather than legal standards . . . [and] factual considerations”). While no single standard governs every case, adequate assurance “will fall considerably short of an absolute guarantee of performance.” In re Carlisle Homes, Inc., 103 B.R. at 538. Adequate assurance may be provided by demonstrating the assignee’s financial health and experience in managing the type of enterprise or property assigned. See, e.g., In re Bygaph, Inc., 56 B.R. 596, 605-06 (Bankr. S.D.N.Y. 1986) (finding that industrial expertise, past success in running a similar business, and financial wherewithal satisfied the adequate assurance requirement of section 365 of the Bankruptcy Code).

47. The Bidding Procedures specifically require any Qualified Bidders to provide financial and other information that would provide the Counterparties with adequate assurance of future performance of the applicable obligations under any Proposed Assumed Contracts included as part of a Qualified Bid. Moreover, the Debtors will provide adequate assurance information to all Counterparties to the Proposed Assumed Contracts, and upon request by such Counterparty, furnish additional adequate assurance information if reasonable and appropriate under the circumstances. Finally, Counterparties unsatisfied with the proposed adequate assurance of future performance provided to them will be able to lodge objections with respect thereto.

48. Accordingly, the Debtors have satisfied the requirements of Bankruptcy Code section 365 with respect to the assumption and assignment of the Proposed Assumed Contracts.

49. In order to facilitate the assumption and assignment of the Proposed Assumed Contracts, the Debtors respectfully request that the Court find that all anti-assignment provisions included in the Proposed Assumed Contracts, including those Proposed Assumed Contracts that have the effect of restricting or limiting assignment, to be unenforceable and prohibited pursuant to Bankruptcy Code section 365(f).⁵

⁵ Section 365(f)(1) provides in pertinent part that, “notwithstanding a provision in an executory contract or unexpired lease of the debtor, or in applicable law, that prohibits, restricts, or conditions the assignment of such contract or lease, the trustee may assign such contract or lease. . .” 11 U.S.C. § 365(f)(1). Further, section 365(f)(3) provides that “[n]otwithstanding a

E. The Sale of the Assets Does Not Require the Appointment of a Consumer Privacy Ombudsman

50. Bankruptcy Code section 363(b)(1) provides that a debtor may not sell or release personally identifiable information about individuals unless either the sale complies with the debtor's privacy policies previously given to consumers and these policies remain in place, or a consumer privacy ombudsman is appointed pursuant to Bankruptcy Code section 332.

51. Here, the Debtors submit that, under the circumstances, the transfer of personally identifiable information is permitted by the terms of its existing privacy policy. The Debtors' existing privacy policy provides:

We may share personal information: . . .

To assign, sell, license, or otherwise transfer to a third party, all information collected from or in relation to you in connection with an assignment, sale, joint venture, bankruptcy proceeding, or other transfer or disposition of a portion or all of the assets or stock of Scout or its affiliated entities.

See Scout Privacy Policy, Last Updated July 6, 2016.

52. Accordingly, because the transfer of this information is consistent with the Debtors' privacy policy, the Debtors submit that there is no need for the appointment of a consumer privacy ombudsman.

provision in an executory contract or unexpired lease of the debtor, or in applicable law that terminates or modifies, or permits a party other than the debtor to terminate or modify, such contract or lease or a right or obligation under such contract or lease on account of an assignment of such contract or lease, such contract, lease, right, or obligation may not be terminated or modified under such provision because of the assumption or assignment of such contract or lease by the trustee." 11 U.S.C. § 365(f)(3).

REQUESTS FOR IMMEDIATE RELIEF AND WAIVER OF STAY

53. Pursuant to Bankruptcy Rules 6004(h) and 6006(d), the Debtors seek (a) entry of an order granting the relief sought herein, and (b) a waiver of any stay of the effectiveness of such an order. Bankruptcy Rule 6004(h) provides that “[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise.” Bankruptcy Rule 6006(d) provides that “[a]n order authorizing the trustee to assign an executory contract or unexpired lease under § 365(f) is stayed until the expiration of 14 days after entry of the order, unless the court order otherwise.”

54. As set forth above, the relief requested herein is necessary and appropriate to maximize the value of the Debtors’ estates for the benefit of their economic stakeholders. Accordingly, the Debtors submit that ample cause exists to justify (a) the immediate entry of an order granting the relief sought herein and (b) a waiver of the 14 day stay imposed by Bankruptcy Rules 6004(h) and 6006(d), to the extent that each Rule applies.

NOTICE

55. Notice of this motion shall be given to (a) the Office of the United States Trustee for the Southern District of New York; (b) those creditors holding the 30 largest unsecured claims against the Debtors’ estates; (c) counsel to the Lender; (d) the Bridge Lenders; and (e) the Internal Revenue Service; and (f) the

Securities and Exchange Commission. The Debtors submit that no other or further notice need be provided.

WHEREFORE, the Debtors respectfully request that the Court

- (i) enter the Bidding Procedures Order following the Bid Procedures Hearing;
- (ii) enter the Sale Order following the Sale Hearing; and (ii) grant the Debtors such further relief as may be appropriate.

Dated: December 9, 2016

**WOMBLE CARLYLE SANDRIDGE &
RICE, LLP**

/s/ Matthew P. Ward

Matthew P. Ward (DE Bar No. 4471)
Ericka F. Johnson (DE Bar No. 5024)
Morgan L. Patterson (DE Bar No. 5388)
Nicholas T. Verna (DE Bar No. 6082)
222 Delaware Avenue, Suite 1501
Wilmington, DE 19801
Telephone: (302) 252-4320
Facsimile: (302) 252-4330
E-mail: maward@wcsr.com
E-mail: erjohnson@wcsr.com
E-mail: mpatterson@wcsr.com
E-mail: nverna@wcsr.com

*Proposed Counsel to the Debtors
and Debtors-in-Possession*

Exhibit A

(Bidding Procedures Order)

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

In re:)
) Chapter 11
)
SCOUT MEDIA, INC., et al.,¹) Case No. 16-13369-MEW
)
Debtors.) Joint Administration Requested
)
)
_____)

**ORDER (I)(A) APPROVING BIDDING PROCEDURES FOR THE SALE OF
SUBSTANTIALLY ALL OF SCOUT MEDIA, INC. AND SCOUT.COM,
LLC’S ASSETS, INCLUDING PROCEDURES FOR SELECTION OF
STALKING HORSE PURCHASER, (B) SCHEDULING AN AUCTION,
(C) APPROVING THE FORM AND MANNER OF NOTICE THEREOF,
(D) APPROVING ASSUMPTION AND ASSIGNMENT PROCEDURES; AND
(E) SCHEDULING A SALE HEARING AND APPROVING THE FORM AND
MANNER OF NOTICE THEREOF AND (II) GRANTING RELATED
RELIEF**

This Court having considered the Motion of the Debtors for Entry of
Orders (I)(A) Approving Bidding Procedures for the Sale of Substantially all of
Scout Media, Inc. and Scout.com LLC’s Assets, Including Procedures for Selection
of Stalking Horse Purchaser, (B) Scheduling an Auction, (C) Approving the Form
and Manner of Notice Thereof, (D) Approving Assumption and Assignment
Procedures; and (E) Scheduling a Sale Hearing and Approving the Form and Manner
of Notice Thereof, and (II)(A) Approving the Sale of Substantially All of Scout
Media, Inc. and Scout.com LLC’s Assets Free and Clear of Liens, Claims, Interests,

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal taxpayer-identification number are: Scout Media Holdings, Inc. (1936), Scout Media, Inc. (1438), FTFS Acquisition, LLC (7230), and Scout.com, LLC (3269). The location of the Debtors’ headquarters and the Debtors’ service address is 122 West 26th Street, Fifth Floor, New York, NY 10036.

and Encumbrances and (B) Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases; and (III) Granting Related Relief (the “Motion”),² filed by Scout Media, Inc. and certain of its affiliates, as debtors and debtors in possession (the “Debtors”), the Declaration of Craig Amazeen in Support of First Day Pleadings (the “First Day Declaration”), the Declaration of Andrew De Camara in Support of the Sale and Bidding Procedures Motion (the “Sale Declaration”) and the statements of counsel and the evidence adduced with respect to the Motion at a hearing before this Court (the “Bidding Procedures Hearing”) to consider a portion of the relief requested in the Motion; and after due deliberation, this Court having determined that the relief requested in the Motion is in the best interests of the Debtors, their estates, and their creditors, and the Debtors having demonstrated good, sufficient, and sound business justification for the relief approved herein, and that such relief is necessary to prevent immediate and irreparable harm to the Debtors, their estates, and their creditors; and good and sufficient cause having been shown;

² Capitalized terms not specifically defined herein have the meaning assigned to them in the Motion.

IT IS HEREBY FOUND AND DETERMINED THAT:³

- A. The Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334(b). This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).
- B. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.
- C. The statutory predicates for the relief requested in the Motion are (i) sections 105, 107(b)(1), 363, 365, and 503 of title 11 of the United States Code (the “Bankruptcy Code”) and (ii) Rules 2002, 6004, 6006, 9014, and 9018 of the Federal Rules of Bankruptcy Procedures (the “Bankruptcy Rules”).
- D. Notice of the Motion and the Bidding Procedures Hearing was sufficient under the circumstances, and no other or further notice need be provided.
- E. There is good cause to waive the 14 day stay imposed by Bankruptcy Rules 6004(h) and 6006(d) to the extent it is applicable.
- F. The Bidding Procedures attached hereto as Exhibit 1 (the “Bidding Procedures”) are fair, reasonable, and appropriate, and are designed to maximize the value of the proceeds of a sale (the “Sale”) of substantially all of the assets of Scout Media Inc. and Scout.com LLC (the “Assets”) to a purchaser (the “Sale Transaction”) following an auction (the “Auction”).

³ The findings of fact and the conclusions of law stated herein shall constitute the 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 any finding of fact shall be determined to be a conclusion of law, it shall be so deemed, and to the extent any conclusion of law shall be determined to be a finding of fact, it shall be so deemed.

G. The Assumption and Assignment Procedures set forth in ¶ 25 of the Motion (the “Assumption and Assignment Procedures”) are fair, reasonable, and appropriate and comply with the provisions of Bankruptcy Code section 365.

H. The Debtors have articulated good and sufficient business reasons for this Court to approve (i) the Bidding Procedures, (ii) the Sale Notice attached hereto as Exhibit 3 (the “Sale Notice”), (iii) the Assumption and Assignment Notice, and the (iv) Assumption and Assignment Procedures.

I. The Bidding Procedures were negotiated in good faith and at arm’s-length, and are reasonably designed to promote participation and active bidding and to ensure that the highest or otherwise best value is generated for the Assets.

J. Good and sufficient notice of the relief sought in the Motion has been provided under the circumstances, and no other or further notice is required except as set forth in the Bidding Procedures and Assumption and Assignment Procedures. A reasonable opportunity to object and be heard regarding the relief requested in the Motion has been afforded to parties in interest.

K. The Sale Notice, Publication Notice (as defined below), Assumption and Assignment Notice, and Proposed Assumed Contracts Notice (as defined below) are all appropriate and reasonably calculated to provide all interested parties with timely and proper notice of the Auction, Sale Hearing, Bidding Procedures, Assumption and Assignment Procedures, the Debtors’ proposed good faith calculation of cure amounts (the “Cure Costs”) due under any executory

contract or unexpired lease (the “Contracts”) to be assumed and assigned in connection with a Sale Transaction, Proposed Assumed Contracts (as defined below), and all relevant important dates and deadlines with respect to the foregoing, and no other or further notice of the Sale, the Auction, or the assumption and assignment of Contracts in connection therewith shall be required.

L. Entry of this Order is in the best interests of the Debtors’ estates, their creditors, and all other interested parties.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

1. The Motion is GRANTED.
2. Except as expressly provided herein, nothing herein shall be construed as a determination of the rights of any party in interest in these chapter 11 cases (these “Cases”).
3. All objections to the relief granted in this Bidding Procedures Order that have not been withdrawn, waived, or settled, and all reservations of rights included therein, hereby are overruled and denied on the merits with prejudice.

A. The Bidding Procedures

4. The Bidding Procedures attached hereto as Exhibit 1 are hereby APPROVED and fully incorporated into this Bidding Procedures Order. The Debtors are authorized to take all actions necessary or appropriate to implement the Bidding Procedures. The failure to specifically include a reference to any particular

provision of the Bidding Procedures in this Bidding Procedures Order shall not diminish or impair the effectiveness of such provision.

5. The Bidding Procedures shall apply to the Qualified Bidders and the conduct of the sale of the Assets and the Auction.

6. The following dates and deadlines regarding competitive bidding are hereby established (subject to modification in accordance with the Bidding Procedures):

- a. **Bid Deadline: January 17, 2017 at 5:00 p.m. (Prevailing Eastern Time)** is the deadline by which all Qualified Bids must be **actually received** by the parties specified in the Bidding Procedures (the “Bid Deadline”);
- b. **Notification of Status as Qualified Bidder: January 18, 2017 at 5:00 p.m. (Prevailing Eastern Time)** is the deadline by which the Debtors must notify bidders of their status as Qualified Bidders; and
- c. **Auction: January 19, 2017 at 10:00 a.m. (Prevailing Eastern Time)** is the date and time the Auction, if one is needed, which will be held at the offices of Womble Carlyle Sandridge & Rice, LLP, 222 Delaware Ave., Suite 1501, Wilmington, Delaware 19801.

7. Only a Qualified Bidder that has submitted a Qualified Bid will be eligible to participate at the Auction. As described in the Bidding Procedures, if the Debtors do not receive more than one Qualified Bid, the Debtors may not hold the Auction, and the sole Qualified Bidder may be named the Successful Bidder and the Debtors may seek final approval at the Sale Hearing of the sale of the Assets to the sole Qualified Bidder.

8. If the Auction is conducted, (i) each Qualified Bidder participating in the Auction shall be required to confirm that it has not engaged in any collusion with respect to the bidding process or the sale, and (ii) the Auction shall be transcribed or videotaped.

B. Sale Notice

9. The form of Sale Notice attached hereto as Exhibit 3 is approved and fully incorporated into this Bidding Procedures Order. The failure to specifically include a reference to any particular provision of the Bidding Procedures in this Bidding Procedures Order shall not diminish or impair the effectiveness of such provision.

10. Within two (2) business days after entry of this Bidding Procedures Order, the Debtors shall serve the Sale Notice by first class mail or email on: (a) the Consultation Parties (as applicable); (b) all persons and entities known by the Debtors to have expressed an interest to the Debtors in a Sale Transaction involving any of the Assets during the past twelve (12) months, including any person or entity that has submitted a bid for any of the Assets, as applicable; (c) all persons and entities known by the Debtors to have asserted any lien, claim, interest, or encumbrance in the Assets (for whom identifying information and addresses are available to the Debtors); (d) all non-Debtor parties to any Contracts that are proposed to be assumed or rejected in connection with a Sale Transaction; (e) any governmental authority known to have a claim against the Debtors in these chapter 11 cases; (f) the United States Attorney General; (g) the Antitrust Division of

the United States Department of Justice; (h) the United States Attorney for the District of Delaware; (i) the Office of the Attorney General in Washington, Minnesota, New York, and Delaware; (j) the Federal Trade Commission; (k) the office of the United States Trustee for the Southern District of New York; (l) the Internal Revenue Service; (m) the United States Securities and Exchange Commission; (n) all of the Debtors' known creditors (for whom identifying information and addresses are known to the Debtors); (o) all parties who have filed a notice of appearance and request for service of papers in these Cases pursuant to Bankruptcy Rule 2002; and (p) all other persons and entities as directed by the Court (collectively, the "Notice Parties").

11. Not later than five (5) days after entry of this Bidding Procedures Order, the Debtors shall cause the material information contained in the Sale Notice to be published once in modified and/or condensed form in the Wall Street Journal, New York Times, or USA Today (the "Publication Notice").

12. Objections to any Sale Transaction (each, a "Sale Objection"), including any objection to the sale of any Assets free and clear of liens, claims, interests, and encumbrances pursuant to Bankruptcy Code section 363(f) and entry of any Sale Order (other than Cure Objections, Assignability Objections, and Adequate Assurance Objections, the procedures and deadlines for which are set forth in Section C below) must (a) be in writing and specify the nature of such objection; (b) comply with the Bankruptcy Code, Bankruptcy Rules, Local Bankruptcy Rules for the Southern District of New York (the "Local Rules"), and all orders of the

Bankruptcy Court; and (c) be filed with the Bankruptcy Court and served on: (i) the Debtors, Scout Media, Inc., 122 West 26th Street, Fifth Floor, New York, NY 10036 (Attn: Craig Amazeen); (ii) counsel for the Debtors, Womble Carlyle Sandridge & Rice, LLP, 222 Delaware Ave., Suite 1501, Wilmington, DE 19801 (Attn: Matthew P. Ward); (iii) counsel for any official committee of unsecured creditors appointed in these chapter 11 cases; (iv) counsel for the Debtors' DIP Lenders, Levy, Small & Lallas, 815 Morgaga Drive, Los Angeles, CA 90049 (Attn: Leo Plotkin) and Chipman Brown Cicero & Cole, LLP, Hercules Plaza, 1313 N. Market St., Suite 5400, Wilmington, DE 19801 (Attn: William E. Chipman, Jr.); (v) the Bridge Lenders, (vi) counsel (if applicable) for any Successful Bidder; (vii) counsel (if applicable) for any Backup Bidder; (x) counsel (if applicable) for any Stalking Horse Purchaser; and (xi) the Office of the United States Trustee for the Southern District of New York, U.S. Federal Office Building, 201 Varick Street, Suite 1006, New York, New York 10014 (Attn: Brian Masumoto) (collectively, the "Objection Recipients") by **January 24, 2017 at 5:00 p.m. (prevailing Eastern Time)** (the "Sale Objection Deadline").

13. Any replies to Sale Objections shall be submitted no later than one (1) business day before the Sale Hearing.

14. The failure of any party to timely file with the Court and serve on the Objection Recipients a Sale Objection shall be barred from asserting, at the applicable Sale Hearing or thereafter, any objection to the relief requested in the Motion, or to the consummation and performance of the Sale Transaction, including

the transfer of the Assets to the Successful Bidder, free and clear of all liens, claims, interests, and encumbrances pursuant to Bankruptcy Code section 363(f), and shall be deemed to be a “consent” for purposes of Bankruptcy Code section 363(f).

15. Notwithstanding the foregoing or anything herein to the contrary, and as set forth below, the deadline to file a Cure Objection, Assignability Objection, or an Adequate Assurance Objection (each as defined below) in connection with a proposed Sale Transaction shall be as set forth below.

C. Assumption and Assignment Procedures

1. Cure Objections and Assignability Objections

16. The Assumption and Assignment Notice attached hereto as Exhibit 2 is approved and fully incorporated into this Bidding Procedures Order. The failure to specifically include a reference to any particular provision of the Bidding Procedures in this Bidding Procedures Order shall not diminish or impair the effectiveness of such provision.

17. Within two (2) days after the entry of this Bidding Procedures Order, the Debtors shall file with this Court, serve on the Notice Parties, including each Counterparty to a Contract that may be assumed, the Assumption and Assignment Notice, which shall (i) identify the Contracts; (ii) list the Debtors’ good faith calculation of Cure Costs with respect to each Contract; (iii) expressly state that assumption or assignment of a Contract is not guaranteed and is subject to the agreement of the Successful Bidder and Court approval; and (iv) prominently display

the deadline to file objections to the assumption, assignment, or sale of the Debtors' Proposed Assumed Contracts (as defined below).

18. Any non-debtor counterparty (a "Counterparty") to a Contract that wishes to object to the proposed assumption, assignment, and sale of the Contract on any grounds (other than Adequate Assurance Objections, as noted below), including the subject of which objection is either (i) the Debtors' proposed Cure Costs to cure any outstanding monetary defaults then existing under such contract (each, a "Cure Objection") and/or (ii) an objection to the assignability of the Contract, whether on grounds that such contract is not assignable, is not an executory contract or unexpired lease, or otherwise (each, an "Assignability Objection"), shall file with the Bankruptcy Court and serve on the Objection Recipients its Cure Objection and/or Assignability Objection, which must state, with specificity, the legal and factual bases thereof, including any appropriate documentation in support thereof, by no later than **January 6, 2017 at 5:00 p.m. (prevailing Eastern Time)**.

19. In the event that the Debtors identify any Counterparty that was not served with the Assumption and Assignment Notice, the Debtors may subsequently serve such Counterparty with an Assumption and Assignment Notice, and the following procedures will nevertheless apply to such Counterparty; provided, however, that the deadline to file a Cure Objection or Assignability Objection (as defined below) with respect to such Counterparty shall be **5:00 p.m. (prevailing Eastern Time)** on the date that is 14 days following service of the Assumption and Assignment Notice.

20. The Debtors and a Counterparty that has filed a Cure Objection and/or Assignability Objection shall first confer in good faith to attempt to resolve the Cure Objection and/or Assignability Objection without Court intervention. If the parties are unable to consensually resolve the Cure Objection and/or Assignability Objection prior to the commencement of the Sale Hearing, the amount to be paid or reserved with respect to such Cure Objection and the assignability of the Contract shall be determined by the Bankruptcy Court at the Sale Hearing provided that, a Cure Objection may, at the Debtors' discretion, after consulting with the Consultation Parties and the applicable Successful Bidder, be adjourned (an "Adjourned Cure Objection") to a subsequent hearing. An Adjourned Cure Objection may be resolved after the closing date of the applicable Sale Transaction; provided that, the Debtors maintain a cash reserve equal to the cure amount the objecting Counterparty believes is required to cure the asserted monetary default under the applicable Contract. Upon resolution of an Adjourned Cure Objection and the payment of the applicable cure amount, if any, the applicable Contract that was the subject of such Adjourned Cure Objection shall be deemed assumed and assigned to the applicable Successful Bidder, as of the closing date of the applicable Sale Transaction. All objections to the proposed assumption and assignment of the Debtors' right, title, and interest in, to, and under a Contract will be heard at the Sale Hearing, except with respect to an Adjourned Cure Objection as set forth herein.

21. If a Counterparty fails to timely file with the Bankruptcy Court and serve on the Objection Recipients a Cure Objection and/or Assignability Objection, the Counterparty shall be deemed to have consented to the assumption, assignment, and sale of the Contract (unless such Counterparty has timely filed an Adequate Assurance Objection (as defined below) with respect to the Contract, in which case the Counterparty may only object to the Successful Bidder's adequate assurance) to the Successful Bidder and forever shall be barred from asserting any objection with regard to such assumption, assignment, and sale. The Cure Costs set forth in the Assumption and Assignment Notice shall be controlling and will be the only amount necessary to cure outstanding defaults under the Contract under Bankruptcy Code section 365(b), notwithstanding anything to the contrary in any Contract, or any other document, and the Counterparty to the Contract shall be deemed to have consented to the Cure Costs and forever shall be barred from asserting any other claims related to such Contract against the Debtors or any Successful Bidder(s) or their property.

2. Adequate Assurance Objections

22. Upon request by a Counterparty, the Debtors shall serve, by electronic mail, the evidence of adequate assurance of future performance under the Proposed Assumed Contracts, including the legal name of the proposed assignee, the proposed use of any leased premises, the proposed assignee's financial ability to perform under the Proposed Assumed Contracts, and a contact person with the proposed assignee that Counterparties may contact if they wish to obtain further

information regarding the purchaser of the Assets. Any Counterparty to a Proposed Assumed Contract that wishes to object to the proposed assumption, assignment, and sale of the Proposed Assumed Contract, the subject of which objection is a Successful Bidder's proposed form of adequate assurance of future performance with respect to such contract (each, an "Adequate Assurance Objection"), shall file with the Bankruptcy Court and serve on the Objection Recipients an Adequate Assurance Objection, which must state, with specificity, the legal and factual bases thereof, including any appropriate documentation in support thereof, by no later than **January 24, 2017, at 5:00 p.m. (prevailing Eastern Time).**

23. The Debtors and a Counterparty that has filed an Adequate Assurance Objection shall first confer in good faith to attempt to resolve the Adequate Assurance Objection without Court intervention. If the parties are unable to consensually resolve the Adequate Assurance Objection prior to the commencement of the Sale Hearing, such objection and all issues of adequate assurance of future performance of the applicable Successful Bidder shall be determined by the Court at the Sale Hearing.

24. If a Counterparty fails to timely file with the Bankruptcy Court and serve on the Objection Recipients an Adequate Assurance Objection, the Counterparty shall be deemed to have consented to the assumption, assignment, and sale of the Proposed Assumed Contract (unless the Counterparty has filed a timely Cure Objection and/or Assignability Objection with respect to the Proposed Assumed Contract, the deadline and procedures for resolution and adjudication of

which are set forth above) to the Successful Bidder and forever shall be barred from asserting any objection. The Successful Bidder shall be deemed to have provided adequate assurance of future performance with respect to the applicable Proposed Assumed Contract in accordance with Bankruptcy Code section 365(f)(2)(B), notwithstanding anything to the contrary in the Proposed Assumed Contract, or any other document.

D. Related Relief

25. If the Debtors receive more than one Qualified Bid for the same Assets with acceptable purchase prices by the Bid Deadline, the Debtors shall conduct the Auction. The Auction, if required, will be conducted at the offices of Womble Carlyle Sandridge & Rice, LLP, 222 Delaware Ave., Suite 1501, Wilmington, DE on **January 19, 2017 at 10:00 a.m. (prevailing Eastern Time)** (the “Auction Date”), or at such other time and location as designated by the Debtors, after consultation with the Consultation Parties. The Debtors shall have the right to conduct any number of Auctions on the Auction Date, if the Debtors determine, in their reasonable business judgment that conducting such Auctions would be in the best interests of the Debtors’ estates. If the Debtors receive no more than one Qualified Bid, the Debtors may decide, in their discretion after consultation with the Consultation Parties, to cancel the Auction and instead shall request at the Sale Hearing that this Court approve the Sale Transaction with the sole Qualified Bidder.

26. As the Debtors are seeking to sell the assets in accordance with the terms of their existing privacy policy (the “Privacy Policy”), and the Privacy Policy permits the Debtors to transfer personal information, there is no requirement that the U.S. Trustee appoint a consumer privacy ombudsman pursuant to Bankruptcy Code sections 363(b)(1) and 332(a).

27. The Good Faith Deposits of the bidders, and any other amounts deposited into escrow pursuant to the applicable purchase agreement, shall be held in the Escrow Account by the Escrow Agent and shall not become property of the Debtors’ bankruptcy estates unless the Deposit Amount or other Escrow Amount is otherwise due and payable to the Debtors in accordance with the applicable purchase agreement. The Debtors are authorized to enter into an escrow agreement with each bidder, and when executed by the Debtors, such escrow agreements shall be binding and enforceable against the Debtors and their estates in all respects.

28. All persons and entities that participate in the bidding process or the Auction shall be deemed to have knowingly and voluntarily submitted to the exclusive jurisdiction of this Court with respect to all matters related to the terms and conditions of the transfer of Assets, the Auction, and any Sale Transaction.

29. In the event there is a conflict between this Order and the Motion, this Order shall control and govern.

30. This Order shall be immediately effective and enforceable upon its entry. The fourteen (14) day stay imposed by Bankruptcy Rules 6004(h) and 6006(d) is hereby waived.

31. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied.

32. The requirements set forth in Bankruptcy Rule 6004(a) are satisfied.

33. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

34. The Debtors are authorized to take all steps necessary or appropriate to carry out this Bidding Procedures Order.

35. This Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.

Dated: _____
New York, New York

United States Bankruptcy Court Judge

Exhibit 1

(Bidding Procedures)

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

In re:)
) Chapter 11
)
SCOUT MEDIA, INC., et al.,¹) Case No. 16-13369-MEW
)
Debtors.) Joint Administration Requested
)
)
)

BIDDING PROCEDURES

On November [], 2016, Scout Media, Inc. and certain of its affiliates as debtors and debtors in possession (collectively, the “Debtors”) filed with the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) a motion (Docket No. ___) (the “Motion”) seeking entry of (a) an order (i) authorizing and approving bidding procedures (the “Bidding Procedures”), to be used in connection with the sale (the “Sale” or “Sale Transaction”) of substantially all of Scout Media, Inc. and Scout.com, LLC’s assets (the “Assets”), including procedures for selection of a Stalking Horse Purchaser; (ii) scheduling an auction for the Assets (the “Auction”); (iii) scheduling the hearing with respect to the approval of the sale (the “Sale Hearing”) and approval of the form and manner of notice thereof; (iv) authorizing certain procedures related to the Debtors’ assumption and assignment of executory contracts and unexpired leases (the “Assignment Procedures”) in connection with any Sale, including notice to each non-Debtor counterparty (each, a “Counterparty”) to an executory contract or unexpired lease (collectively, the “Contracts”) of the Debtors’ proposed cure amounts to cure all monetary defaults under the Contracts (the “Cure Costs”), if any, and notice of proposed assumption and assignment of certain Contracts (collectively, the “Proposed Assumed Contracts”) in connection with the Sale; and (v) granting related relief.

On [], the Bankruptcy Court entered the Order (I)(A) Approving Bidding Procedures for the Sale of Substantially all of Scout Media, Inc. and Scout.com, LLC’s Assets, Including Procedures for the Selection of Staking Horse Purchaser, (B) Approving Bid Protections, (C) Scheduling an Auction, (D) Approving the Form and Manner of Notice Thereof, (E) Scheduling a Sale

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal taxpayer-identification number are: Scout Media Holdings, Inc. (1936), Scout Media, Inc. (1438), FTFS Acquisition, LLC (7230), and Scout.com, LLC (3269). The location of the Debtors’ headquarters and the Debtors’ service address is 122 West 26th Street, Fifth Floor, New York, NY 10036.

Hearing and Approving the Form and Manner of Notice Thereof, and (II) Granting Related Relief (Docket No. ____) (the “Bidding Procedures Order”). Pursuant to the Bidding Procedures Order, the Debtors are authorized to employ the Bidding Procedures in connection with the Sale and are empowered to take all actions necessary or appropriate to implement the following:

Set forth below are the Bidding Procedures that will be employed in connection with the Sale of substantially all of Scout Media, Inc. and Scout.com, LLC’s Assets.

I. KEY DATES AND DEADLINES

December 22, 2016	Hearing to Consider Entry of the Bidding Procedures Order
December 23, 2016	Deadline to Serve Sale Notice and Notice of Assumption and Assignment
December 30, 2016	Sale Notice Publication Deadline
January 6, 2017 at 5:00 p.m. (prevailing Eastern Time)	Deadline to file Cure Objections and Assignability Objections
January 17, 2017 at 5:00 p.m. (prevailing Eastern Time)	Bid Deadline
January 18, 2016 at 5:00 p.m. (prevailing Eastern Time)	Deadline for Debtors to notify bidders of their status as Qualified Bidders
January 19, 2017 at 10:00 a.m. (prevailing Eastern Time)	Auction, to be held at the offices of Womble Carlyle Sandridge & Rice, LLP, 222 Delaware Ave., Suite 1501, Wilmington, Delaware
January 20, 2017 at 5:00 p.m. (prevailing Eastern Time)	Deadline to File Auction Results
January 24, 2017 at 5:00 p.m. (prevailing Eastern Time)	Deadline to file objections to Sale Transaction(s) (other than Cure Objections and Assignability Objections)
January 24, 2017 at 5:00 p.m. (prevailing Eastern Time)	Deadline to file Adequate Assurance Objections
January 27, 2017	Proposed hearing to approve proposed Sale Transaction(s)

II. DUE DILIGENCE

To be eligible to participate in the Auction, each person or entity that desires to participate in the Auction (each, a “Prospective Bidder”) must first deliver to each of the Bid Notice Parties:

- an executed confidentiality agreement, in form and substance satisfactory to the Debtors and consistent with the terms of the confidentiality agreements that the Debtors required potential bidders to sign prior to the filing of these chapter 11 cases (collectively, the “Cases”);

- a statement and other factual support demonstrating to the Debtors' satisfaction in the exercise of their reasonable business judgment that the Prospective Bidder has a *bona fide* interest in purchasing the Assets; and
- preliminary proof by the Prospective Bidder of its financial capacity to close a proposed Sale Transaction, which may include current unaudited or verified financial statements of, or verified financial commitments obtained by, the Prospective Bidder (or, if the Prospective Bidder is an entity formed for the purpose of acquiring the property to be sold, the party that will bear liability for a breach), the adequacy of which the Debtors and its advisors will determine; provided that such proof shall not be required to the extent that the Prospective Bidder's financial capacity is reasonably known to the Debtors' financial advisor.

Upon execution of a valid confidentiality agreement, any Prospective Bidder identified by the Debtors as reasonably likely to be a Qualified Bidder that wishes to conduct due diligence on the Assets may, in the Debtors' discretion, be granted access to all material information regarding the Assets; provided that, if any Prospective Bidder is (or is affiliated with) a competitor of the Debtors, the Debtors will not be required to disclose to such Prospective Bidder any trade secrets or proprietary information, as determined in their sole discretion. If the Debtors determine that a Prospective Bidder does not qualify as a Qualified Bidder, such Prospective Bidder shall not be entitled to receive due diligence access or additional non-public information.

The Debtors will work to accommodate all reasonable requests for additional information and due diligence access from Prospective Bidders. All due diligence requests shall be directed to (i) the Debtors, Scout Media, Inc., 122 West 26th Street, Fifth Floor, New York, NY 10036 (Attn: Craig Amazeen), (ii) the Debtors' proposed counsel, Womble Carlyle Sandridge & Rice, LLP, 222 Delaware Ave., Suite 1501, Wilmington, DE 19801 (Attn: Matthew P. Ward) (MaWard@wcsr.com)); and (iii) the Debtors' financial advisor, Sherwood Partners, Inc. (Attn: Andrew De Camara (ad@sherwoodpartners.com)).

III. BID DEADLINE

Any Prospective Bidder that intends to participate in the Auction must submit its bid (and such bid must constitute a Qualified Bid (as hereinafter defined)) on or before **January 17, 2017 at 5:00 p.m. (prevailing Eastern Time)** (the "Bid Deadline") in writing to the Bid Notice Parties (as defined in Section VIII.B). Any bid received after the Bid Deadline will not constitute a Qualified Bid. A Good Faith

Deposit (as defined below) must be contemporaneously provided with any bid by wire transfer or certified check pursuant to delivery instructions to be provided by the Debtors prior to the Bid Deadline.

The Debtors shall promptly provide copies of all bids received to the Consultation Parties; provided that the Debtors shall not be required to provide to any Consultation Party any material, nonpublic information regarding bids for the Assets if such Consultation Party submits a bid to purchase all or any portion of the Assets. Further, the Debtors shall not be required to consult with any Consultation Party pursuant to the terms of these Bidding Procedures if such party is an active bidder at the applicable time.

IV. BID REQUIREMENTS

A. Qualified Bid Requirements

To qualify as a “Qualified Bid,” the bid must be in writing and the Debtors must determine that the bid satisfies the following requirements:

1. Purchased Assets. A Qualified Bid must identify the following:
 - a) the Assets or the portion thereof to be purchased, including any Contracts of the Debtors that would be assumed and assigned in connection with the relevant Sale Transaction (all such Contracts, the “Proposed Assumed Contracts”);
 - b) the liabilities, if any, to be assumed, including any debt to be assumed;
 - c) the cash purchase price of, and any other consideration offered in connection with, the bid;
 - d) the proposed form of adequate assurance of future performance with respect to any Proposed Assumed Contracts; and
 - e) whether the Prospective Bidder intends to operate all or a portion of the Debtors’ business as a going concern (as applicable), or to liquidate the business.

2. Identification of Bidder. A Qualified Bid must fully disclose the legal identity of each person or entity bidding for the applicable Assets or otherwise sponsoring, financing (including through the issuance of debt in connection with such bid), participating in (including through license or similar arrangement with respect to the assets to be acquired in connection with such bid) such bid or the Auction in connection with such bid, and the complete terms of any such participation, and must also disclose any past or present connections or agreements with the Debtors, the Stalking Horse Purchaser, if any, any other known Prospective Bidder or Qualified Bidder, and/or any officer or director of the foregoing (including any current or former officer or director of the Debtors).
3. Asset Purchase Agreement If There Is A Stalking Horse Purchaser Only. If a Stalking Horse Purchaser is designated and approved, Qualified Bids must include a duly authorized and executed copy of the Stalking Horse APA modified to reflect such Qualified Bidder's proposed Sale Transaction (including all exhibits and schedules thereto), together with copies marked to show any amendments and modifications to (A) the Stalking Horse APA and (B) the proposed Sale Order.
4. Asset Purchase Agreement If There Is No Stalking Horse Purchaser. If no Stalking Horse Purchaser is designated and approved, a Qualified Bid must include a duly authorized and executed copy of the form asset purchase agreement provided by the Debtors (the "Form APA") modified to reflect such Qualified Bidder's proposed Sale Transaction (the "Alternative Transaction Agreement") (including all exhibits and schedules thereto), together with copies marked to show any amendments and modifications to (A) the Form APA and (B) the proposed Sale Order.
5. Credit Bidding. In connection with the Sale of the Assets, a person or entity holding a properly perfected security interest in such Assets may seek to credit bid some or all of their claims that are not subject to a bona fide dispute for their respective collateral (each such bid, a "Credit Bid") pursuant to Bankruptcy Code section 363(k). A Credit Bid may be applied only to reduce the cash consideration with respect to the Assets in which the party submitting the Credit Bid holds a

security interest with respect to which there are no other more senior security interests. Each person or entity holding a valid, properly perfected security interest in Assets with respect to which there are no other more senior security interests for which it submits a bid shall be deemed a Qualified Bidder with respect to its right to acquire such Assets by Credit Bid.

6. Financial Information. A Qualified Bid must include the following:
 - a) a statement that the Prospective Bidder is financially capable of consummating the Sale Transaction;
 - b) if the bid includes a Credit Bid, a statement that any properly perfected more senior security interest will be satisfied in cash and any remaining balance of the bid after reducing the applicable purchase price of the Assets by the amount of the proposed Credit Bid is based on an all-cash offer; and
 - c) satisfactory evidence of committed financing or other financial ability to consummate the proposed Sale Transaction(s) in a timely manner.
7. Good Faith Deposit. Each Qualified Bid (other than one that includes a Credit Bid) must be accompanied by a good faith deposit (the “Good Faith Deposit”) in the form of cash (or other form acceptable to the Debtors in their sole and absolute discretion) in an amount equal to 10% of the purchase price offered to purchase the Assets (or portion thereof). All Good Faith Deposits shall be held in escrow in a non-interest bearing account identified by the Debtors until no later than five business days after the conclusion of the Auction unless such bidder is selected as the Successful Bidder or as a Backup Bidder (as hereinafter defined), and thereafter returned to the respective Qualified Bidders in accordance with the Bidding Procedures. The Debtors reserve the right to increase the Good Faith Deposit for one or more Qualified Bidders (as defined below) in their sole discretion after consulting with the Consultation Parties.

8. Adequate Assurance. A Qualified Bid must include evidence of the Prospective Bidder's ability to comply with section 365 of the Bankruptcy Code (to the extent applicable), including providing adequate assurance of such Prospective Bidder's ability to perform future obligations arising under the contracts and leases proposed in its bid to be assumed by the Debtors and assigned to the Prospective Bidder, in a form that will permit the immediate dissemination of such evidence to the Counterparties to such contracts and leases.
9. Representations and Warranties. A Qualified Bid must include the following representations and warranties:
 - a) expressly state that the Prospective Bidder has had an opportunity to conduct any and all due diligence regarding the Debtors' businesses and the Assets prior to submitting its bid; and
 - b) a statement that the Prospective Bidder has relied solely upon its own independent review, investigation, and/or inspection of any relevant documents and the Assets in making its bid and did not rely on any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express or implied, by operation of law or otherwise, regarding the Debtors' businesses or the Assets, or the completeness of any information provided in connection therewith.
10. Authorization. A Qualified Bid must include evidence of authorization and approval from the Prospective Bidder's board of directors (or comparable governing body) with respect to the submission, execution, and delivery of a bid, participation in the Auction, and closing of the proposed Sale Transaction(s) in accordance with the terms of the bid and these Bidding Procedures.
11. Other Requirements. A Qualified Bid shall:
 - a) expressly state that the bid is formal, binding, not subject to or conditioned on any further due diligence, and irrevocable until the selection of the Successful Bid and the Backup Bid (as defined below) in accordance with these Bidding Procedures; provided that if such Prospective Bidder is selected as the

Successful Bidder or Backup Bidder, its bid must remain irrevocable until the Debtors' consummation of a sale with the Successful Bidder or the Backup Bidder;

- b) if the bid is for assets subject to a Stalking Horse Bid, state that the bid is not subject to conditions more burdensome than those in the Stalking Horse APA;
- c) expressly state that the Prospective Bidder is committed to closing the proposed Sale Transaction(s) contemplated by the bid as soon as practicable;
- d) except to the extent bid protections are approved for any Stalking Horse Purchaser, expressly state and acknowledge that no Prospective Bidder shall be entitled to a break-up fee, termination fee, expense reimbursement, or similar type of "bid protection" in connection with the submission of a bid;
- e) expressly waive any claim or right to assert any substantial contribution administrative expense claim under Bankruptcy Code section 503(b) in connection with bidding for the Assets and/or participating in the Auction;
- f) not contain any financing contingencies of any kind;
- g) not contain any condition to closing of the proposed Sale Transaction(s) on the receipt of any third party approvals (excluding Bankruptcy Court approval and any applicable required governmental and/or regulatory approval);
- h) state that all necessary filings under applicable regulatory, antitrust, and other laws will be made and that payment of the fees associated therewith shall be made by the Prospective Bidder;
- i) expressly state that the Prospective Bidder agrees to serve as a backup bidder (a "Backup Bidder") if such bidder's Qualified Bid is selected as the next highest or otherwise next best bid after the Successful Bid with respect to the applicable Assets;
- j) include contact information for the specific person(s) the Debtors should contact in the event they have any questions about the Prospective Bidder's bid; and

k) be received by the Bid Notice Parties by the Bid Deadline.

12. Disqualification of Bids. The Debtors, in their business judgment, and in consultation with the Consultation Parties, reserve the right to reject any bid, including (without limitation) if such bid among other things:

- a) is on terms that are more burdensome or conditional than the terms of the Stalking Horse APA, if any;
- b) requires any indemnification of the Prospective Bidder;
- c) is not received by the Bid Deadline;
- d) is subject to any contingencies (including representations, warranties, covenants, and timing requirements) of any kind or any other conditions precedent to such party's obligation to acquire the relevant Assets; or
- e) does not, in the Debtors' determination (after consultation with the Consultation Parties), include a fair and adequate price or the acceptance, of which would not be in the best interests of the Debtors' estates. Any bid rejected pursuant to this paragraph shall not be deemed to be a Qualified Bid. In the event that any bid is so rejected, the Debtors shall cause the Good Faith Deposit of such Prospective Bidder to be refunded to it within five (5) business days after the Bid Deadline.

B. Qualified Bidders

A bid received for the Assets that is determined by the Debtors to meet the requirements set forth in Section IV.A will be considered a "Qualified Bid," and any bidder that submits a Qualified Bid will be considered a "Qualified Bidder."

The Debtors will value a Qualified Bid using any and all factors that the Debtors in their discretion deem reasonably pertinent, including, without limitation, (i) the amount of the purchase price and Credit Bid (if any), as applicable, set forth in the Qualified Bid; (ii) the risks and timing associated with consummating a Sale Transaction(s) with the Qualified Bidder; and (iii) any Assets included in or excluded from the Qualified Bid, including any Proposed Assumed Contracts. In addition, the Debtors will consider bids for any or all of the Assets. The Debtors,

may, after consulting with the Consultation Parties, accept as a single Qualified Bid, multiple bids for non-overlapping portions of the Assets such that, when taken together in the aggregate, such bids would otherwise meet the standards for a single Qualified Bid.

The Debtors may permit otherwise Qualified Bidders who submitted bids by the Bid Deadline for less than a substantial (but nevertheless a material) portion of the Assets but who were not identified as a component of a single Qualified Bid consisting of such multiple bids, to participate in the Auction and to submit higher or otherwise better bids that in subsequent rounds of bidding may be considered, together with other bids for non-overlapping material portions of the Assets, as part of such a single Qualified Bid for overbid purposes.

The Debtors shall make a determination regarding which bids qualify as Qualified Bids and as Baseline Bids (as hereinafter defined) and shall notify bidders whether they have been selected as Qualified Bidders by no later than **January 18, 2017 at 5:00 p.m. (prevailing Eastern Time)**.

C. Bid Protections

No party submitting a bid, whether or not such bid is determined by the Debtors to qualify as a Qualified Bid, shall be entitled to a break-up fee or expense reimbursement, or any other bid protection, unless such break-up fee, expense reimbursement, or other bid protection is approved by the Bankruptcy Court.

V. THE AUCTION

If the Debtors receive more than one Qualified Bid for the same Assets with acceptable purchase prices by the Bid Deadline, the Debtors shall conduct the Auction. The Auction, if required, will be conducted at the offices of **Womble Carlyle Sandridge & Rice, LLP, 222 Delaware Avenue, Suite 1501, Wilmington, DE 19801 on January 19, 2017 at 10:00 a.m. (prevailing Eastern Time)** (the "Auction Date"), or at such other time and location as designated by the Debtors, after consulting with the Consultation Parties. The Debtors shall have the right to conduct any number of Auctions on the Auction Date to accommodate multiple bids that comprise a single Qualified Bid, if the Debtors determine, in their reasonable business judgment that conducting such auctions would be in the best interests of the Debtors' estates.

If the Debtors receive no more than one Qualified Bid, the Debtors may cancel the Auction and instead request at the Sale Hearing that the Bankruptcy Court approve the bid proposed by the sole Qualified Bid.

All bidders at the Auction will be deemed to have consented to the core jurisdiction of the Bankruptcy Court and waived any right to jury trial in connection with any disputes relating to the Auction, the Sale and the construction and enforcement of the applicable asset purchase agreement and all other agreements entered into in connection with any proposed Sale Transaction.

A. Participants and Attendees

Only Qualified Bidders that have submitted Qualified Bids by the Bid Deadline are eligible to participate in the Auction, subject to other limitations as may be reasonably imposed by the Debtors in accordance with the Bidding Procedures. Qualified Bidders participating in the Auction must appear in person at the Auction, or through a duly authorized representative. The Debtors may, in their sole and exclusive discretion, establish a reasonable limit on the number of representatives and/or professional advisors that may appear on behalf of or accompany each Qualified Bidder at the Auction. Each of the Consultation Parties shall be entitled to have a reasonable number of representatives and/or professional advisors attend the Auction.

Each Qualified Bidder participating in the Auction will be required to confirm in writing and on the record at the Auction that (A) it has not engaged in any collusion with respect to the submission of any bid or the Auction, and (B) its Qualified Bid represents a binding, good faith, and bona fide offer to purchase the Assets identified in such bid if selected as the Successful Bidder.

B. Auction Procedures

The Auction shall be governed by the following procedures, subject to the Debtors' right to modify such procedures in their reasonable business judgment:

1. Baseline Bids. Bidding shall commence at the amount of the Qualified Bid that the Debtors, in consultation with the Consultation Parties, determine in their business judgment to be the highest or otherwise best Qualified Bid (the "Baseline Bid"). If a Stalking Horse Purchaser is selected and approved, the Stalking Horse Purchaser's bid shall constitute the Baseline Bid attributable to Assets sought to be purchased by the Stalking Horse Purchaser (the "Stalking Horse Assets").
2. Minimum Overbid. Qualified Bidders may submit successive bids higher than the previous bid, based on and increased from the Baseline Bid for the relevant Assets; provided, however, that to the extent that there is more than one Qualified Bid for

the Stalking Horse Assets, the bidding for Stalking Horse Assets will start at an amount equal to the proposed purchase price, plus the aggregate amount of the Break Up Fee and the Expense Reimbursement, if any. The minimum required increments for successive Qualified Bids (each such bid, a “Minimum Overbid”) will be announced at the outset of the Auction. The Debtors may, in their reasonable business judgment, and after consulting with the Consultation Parties, announce increases or reductions to Minimum Overbids at any time during the Auction.

Except as specifically set forth herein, for the purpose of evaluating the value of the consideration provided by any bid subsequent to a Baseline Bid, the Debtors will, at each round of bidding, give effect to the Bid Protections payable to the Stalking Horse Purchaser under the Stalking Horse APA, if any, as well as any additional liabilities to be assumed by a Qualified Bidder and any additional costs that may be imposed on the Debtors. To the extent that a Minimum Overbid has been accepted entirely or in part because of the addition, deletion, or modification of a provision or provisions in any Stalking Horse APA, the Debtors will identify such added, deleted, or modified provision or provisions and the value thereof.

3. Highest or Best Offer. After the first round of bidding and between each subsequent round of bidding, the Debtors shall announce the bid that they believe to be the highest or otherwise best offer for the relevant Assets (the “Leading Bid”). Each round of bidding will conclude after each participating Qualified Bidder has had the opportunity to submit a subsequent bid with full knowledge of the Leading Bid.

The Auction may include open bidding in the presence of all other Qualified Bidders. All Qualified Bidders shall have the right to submit additional bids and make modifications to their APA at the Auction to improve their bids. The Debtors may, in their reasonable business judgment, negotiate with any and all Qualified Bidders participating in the Auction.

The Debtors shall have the right, after consulting with the Consultation Parties, to determine, in their reasonable business

judgment, which bid is the highest or otherwise best bid with respect to the applicable Asset(s) and reject at any time, without liability, any bid that the Debtors deem to be inadequate or insufficient, not in conformity with the requirements of the Bankruptcy Code, Bankruptcy Rules, or the Local Rules, these Bidding Procedures, any order of the Bankruptcy Court, or the best interests of the Debtors and their estates.

Any Leading Bid made from time to time by a Qualified Bidder must remain open and binding on the Qualified Bidder until and unless (i) the Debtors accept a higher or otherwise better bid submitted by another Qualified Bidder during the Auction as a Leading Bid and (ii) such Leading Bid is not selected as the Backup Bid.

To the extent not previously provided (which will be determined by the Debtors), a Qualified Bidder submitting a subsequent bid must submit at the Debtors' request, as part of its subsequent bid, written evidence (in the form of financial disclosure or credit-quality support information or enhancement reasonably acceptable to the Debtors) demonstrating such Qualified Bidder's ability to close the transaction at the purchase price contemplated by such subsequent bid.

4. Transcription. The bidding at the Auction shall be transcribed and the Debtors shall maintain a transcript of all bids made and announced at the Auction.

C. Auction Results

1. Successful Bids. Immediately prior to the conclusion of the Auction, the Debtors shall, in consultation with the Consultation Parties, (A) determine, consistent with the Bidding Procedures, which bid constitutes the highest or otherwise best bid(s) for the applicable Asset(s) (each such bid, a "Successful Bid"); and (B) notify all Qualified Bidders at the Auction for the applicable Asset(s) of the identity of the bidder that submitted the Successful Bid (each such bidder, the "Successful Bidder") for such Asset(s) and the amount of the purchase price and other material terms of the Successful Bid.

2. Backup Bids. Immediately prior to the conclusion of the Auction, the Debtors may, in consultation with the Consultation Parties, (a) determine, consistent with these Bidding Procedures, which Qualified Bid is the next highest or otherwise best Qualified Bid for the relevant Assets after the Successful Bid (each such Qualified Bid, a “Backup Bid”); and (b) notify all Qualified Bidders at the Auction for the applicable Asset of the identity of the Backup Bidder and the amount of the purchase price and other material terms of the Backup Bid.

Backup Bids must remain open until the Debtors’ consummation of a sale with the Successful Bidder. If the Successful Bidder for the applicable Assets fails to consummate a Sale Transaction, the Backup Bidder shall be deemed the new Successful Bidder, and the Debtors will be authorized, but not required, to consummate a Sale Transaction for the applicable Assets with the Backup Bidder.

On or before **January 20, 2017 at 5:00 p.m. (prevailing Eastern Time)**, the Debtors shall file with the Bankruptcy Court and serve on the Sale Notice Parties the results of the Auction, which shall include (i) a copy of the Successful Bid and Backup Bid and (ii) the identity of the Successful Bidder and Backup Bidder.

On or before **January 20, 2017**, the Debtors shall file with the Bankruptcy Court and serve on the Sale Notice Parties the Notice of the Proposed Assumed Contracts.

D. Return of Good Faith Deposit

The Good Faith Deposit of all Prospective Bidders shall be held in escrow by the Debtors in a non-interest-bearing escrow or trust account, and shall not become property of the Debtors’ estates. The Good Faith Deposits of all Prospective Bidders shall be retained by the Debtors, notwithstanding Bankruptcy Court approval of Sale Transactions for the applicable Assets, until no later than five business days after the conclusion of the Auction, except for the Good Faith Deposits of Successful Bidders and Backup Bidders. The Debtors shall retain the Good Faith Deposits of Backup Bidders until no later than three business days after the closing of a Sale Transaction with the Successful Bidder for the applicable Assets.

At the closing of a Sale Transaction, the Successful Bidder will be entitled to a credit for the amount of its Good Faith Deposit. If a Successful Bidder fails to consummate a Sale Transaction because of a breach that entitles the Debtors to terminate the applicable asset purchase agreement, then, the Debtors and their estates shall be entitled to retain the Good Faith Deposit of the Successful Bidder as part of the damages resulting to the Debtors and their estates for such breach or failure to perform.

VI. SALE HEARING

Each Successful Bid (including any Backup Bid that is subsequently deemed a Successful Bid) will be subject to approval by the Bankruptcy Court. The hearing to approve the Sale and any Successful Bid(s) in respect of the Assets shall take place on **January 27, 2017** (the “Sale Hearing”) before the Honorable Michael E. Wiles, United States Bankruptcy Judge, in the Bankruptcy Court, Courtroom 617, located at One Bowling Green, New York, NY 10004.

At the Sale Hearing, the Debtors will seek entry of an order (the “Sale Order”) approving, among other things, the Sale of the Assets to the Successful Bidder. The Sale Hearing may be adjourned or rescheduled by the Debtors. The Debtors may not consider or support any other bid to purchase Assets that are the subject of a Successful Bid pending consideration by the Bankruptcy Court of the Successful Bid for such Assets at the Sale Hearing.

Objections to a Sale Transaction, including any objection to the sale of any Assets free and clear of liens, claims, interests, and encumbrances pursuant to Bankruptcy Code section 363(f), any of the relief requested in the Motion (each, a “Sale Objection”), and entry of any Sale Order must (i) be in writing and specify the nature of such objection; (ii) comply with the Bankruptcy Code, Bankruptcy Rules, Local Rules, and all orders of the Bankruptcy Court; (iii) be filed with the Bankruptcy Court and served on the Objection Recipients by **January 24, 2017, at 5:00 p.m. (prevailing Eastern Time)** (provided, however, that all Cure Objections and Assignability Objections have an earlier deadline, as set forth in the Bidding Procedures Order).

All Sale Objections not otherwise resolved by the parties prior thereto shall be heard at the Sale Hearing. The failure of any party to timely file with the Bankruptcy Court and serve on the Objection Recipients a Sale Objection forever shall be barred from asserting, at the applicable Sale Hearing or thereafter, any objection to the relief requested in the Motion, or to the consummation and performance of the Sale Transaction contemplated by an asset purchase agreement with a Successful Bidder, including the transfer of the Assets to the applicable Successful Bidder(s), free and clear of all liens, claims, interests, and encumbrances

pursuant to Bankruptcy Code section 363(f). Notwithstanding the foregoing or anything herein to the contrary, and as set forth below, the deadline to file an Adequate Assurance Objection in connection with a proposed Sale Transaction shall be **January 24, 2017, at 5:00 p.m. (prevailing Eastern Time)**.

The Debtors may reject at any time, before entry of an order of the Bankruptcy Court approving the Sale, any bid that, in the Debtors' judgment, upon considering any comments of the Consultation Parties, is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Bankruptcy Code or the Bidding Procedures, or (iii) contrary to the best interests of the Debtors and their estates.

The Debtors' presentation to the Bankruptcy Court for approval of a selected Qualified Bid as a Successful Bid does not constitute the Debtors' acceptance of such bid. The Debtors will have accepted a Successful Bid only when such Successful Bid has been approved by the Bankruptcy Court at the Sale Hearing. Upon the Court's approval of a Successful Bid, the Debtors will be bound by the terms of that Successful Bid with no further opportunity for an auction or other process.

VII. MODIFICATION OF PROCEDURES

The Debtors may, after consulting with the Consultation Parties, modify the rules, procedures, and deadlines set forth herein (including, without limitation, extending the Bid Deadline, modifying the Qualified Bid Requirements, modifying the procedures for conducting the Auction, rescheduling the Auction, or adjourning the Sale Hearing), or adopt new rules, procedures, and deadlines or otherwise modify these Bidding Procedures in order to, in their reasonable discretion, better promote the goals of such procedures, namely, to maximize value for the estates. All such modifications and additional rules will be communicated to each of the Notice Parties, Prospective Bidders, and Qualified Bidders.

VIII. NOTICING

A. Consultation Parties

Throughout the sale process, as necessary or appropriate, the Debtors and their professionals will evaluate bids and will consult the following parties with respect to such bids: (a) Levy, Small & Lallas and Chipman Brown Cicero & Cole, as counsel to the DIP Lender and (b) counsel for any official committee of unsecured creditors appointed in these Cases (collectively, the "Consultation Parties").

B. Bid Notice Parties

Qualified Bids (as hereinafter defined) must be submitted in writing to: (i) Scout Media, Inc., 122 West 26th Street, Fifth Floor, New York, NY, Attn. Craig Amazeen; (ii) proposed counsel to the Debtors, Womble Carlyle Sandridge & Rice, LLP, 222 Delaware Ave., Suite 1501, Wilmington, DE 19801, Attn: Matthew P. Ward (MaWard@wcsr.com); (iii) the Debtors' financial advisor, Sherwood Partners, Inc., 1801 Century Park East, 25th Floor, Los Angeles, CA 90067, Attn: Andrew De Camara (ad@sherwoodpartners.com); (iv) proposed counsel to any official committee appointed in these chapter 11 cases (the foregoing entities in clauses (i) through (iv), the "Bid Notice Parties").

C. Sale Notice and Sale Notice Parties

1. Sale Notice Parties. The "Sale Notice Parties" shall include the following: (i) the Consultation Parties (as applicable); (ii) all persons and entities known by the Debtors to have expressed an interest to the Debtors in a Sale Transaction involving any of the Assets during the past twelve (12) months, including any person or entity that has submitted a bid for any of the Assets, as applicable; (iii) all persons and entities known by the Debtors to have asserted any lien, claim, interest, or encumbrance in the Assets (for whom identifying information and addresses are available to the Debtors); (iv) all non-Debtor parties to any executory contracts or unexpired leases of the Debtors (collectively, the "Contracts") that are proposed to be assumed or rejected in connection with a Sale Transaction; (v) any governmental authority known to have a claim against the Debtors in these chapter 11 cases; (vi) the United States Attorney General; (vii) the Antitrust Division of the United States Department of Justice; (viii) the United States Attorney for the District of Delaware; (ix) the Office of the Attorney General in Washington, Minnesota, New York, and Delaware; (x) the Federal Trade Commission; (xi) the office of the United States Trustee for the Southern District of New York; (xii) the Internal Revenue Service; (xiii) the United States Securities and Exchange Commission; (xiv) all of the Debtors' known creditors (for whom identifying information and addresses are known to the Debtors); (xv) all parties who have filed a notice of appearance and request for service of papers in these chapter 11 cases pursuant to Bankruptcy Rule 2002; and (xvi) all other persons and entities as directed by the Bankruptcy Court.

2. Sale Notice. Within two (2) business days after entry of the Bidding Procedures Order, the Debtors shall file with the Bankruptcy Court, and serve on the Sale Notice Parties a notice (the “Sale Notice”) setting forth (i) the date, time, and place of (a) the Auction and (b) Sale Hearing; and (ii) the deadline to object to the Sale and the relief requested in the Motion (the “Sale Objection Deadline”).
3. Publication Notice. Within five (5) days after entry of the Bidding Procedures Order, the Debtors shall cause the material information contained in the Sale Notice to be published once in modified and/or condensed form in the Wall Street Journal, New York Times, or USA Today.

D. Sale Objections

Sale Objections (as hereinafter defined) shall be filed in accordance with these Bidding Procedures and be served on (i) the Debtors, Scout Media, Inc., 122 West 26th Street, Fifth Floor, New York, NY 10036 (Attn: Craig Amazeen); (ii) counsel for the Debtors, Womble Carlyle Sandridge & Rice, LLP, 222 Delaware Ave., Suite 1501, Wilmington, DE 19801 (Attn: Matthew P. Ward); (iii) counsel for any official committee of unsecured creditors appointed in these chapter 11 cases; (iv) counsel for the Debtors’ DIP Lenders, Levy, Small & Lallas, 815 Morgaga Drive, Los Angeles, CA 90049 (Attn: Leo Plotkin) and Chipman Brown Cicero & Cole, LLP, Hercules Plaza, 1313 N. Market St., Suite 5400, Wilmington, DE 19801 (Attn: William E. Chipman, Jr.); (v) the Bridge Lenders, (vi) counsel (if applicable) of any Successful Bidder; (vii) counsel (if applicable) of any Backup Bidder; (x) counsel (if applicable) of any Stalking Horse Purchaser; and (xi) the Office of the United States Trustee for the Southern District of New York, U.S. Federal Office Building, 201 Varick Street, Suite 1006, New York, New York 10014 (Attn: Brian Masumoto) (collectively, the “Objection Recipients”).

E. Assumption and Assignment

The Debtors shall provide all notices regarding the proposed assumption, assignment, and rejection of contracts in accordance with the Assumption and Assignment Procedures set forth in the Motion and Bidding Procedures Order.

IX. CONSULTATION BY THE DEBTORS

The Debtors shall consult with the Consultation Parties as explicitly provided for in these Bidding Procedures; provided, however, that the Debtors shall not be required to consult with any Consultation Party (or its advisors) that submits a bid or has a bid submitted on its behalf for so long as such bid remains open, including any credit bid, if the Debtors determine, in their reasonable business judgment, that consulting with such Consultation Party regarding any issue, selection, or determination is (a) likely to have a chilling effect on the potential bidding or (b) otherwise contrary to the goal of maximizing value from the sale process for the Debtors' estates, their creditors, and all other parties in interest.

Dated: December __, 2016

**WOMBLE CARLYLE SANDRIDGE &
RICE, LLP**

/s/

Matthew P. Ward (DE Bar No. 4471)
Ericka F. Johnson (DE Bar No. 5024)
Morgan L. Patterson (DE Bar No. 5388)
Nicholas T. Verna (DE Bar No. 6082)
222 Delaware Avenue, Suite 1501
Wilmington, DE 19801
Telephone: (302) 252-4320
Facsimile: (302) 252-4330
E-mail: maward@wcsr.com
E-mail: erjohnson@wcsr.com
E-mail: mpatterson@wcsr.com
E-mail: nverna@wcsr.com

*Proposed Counsel to the Debtors
and Debtors-in-Possession*

Exhibit 2

(Assumption and Assignment Notice)

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

In re:)
) Chapter 11
)
SCOUT MEDIA, INC., et al.,¹) Case No. 16-13369-MEW
)
Debtors.) Joint Administration Requested
)
)
)

**NOTICE OF POSSIBLE ASSUMPTION
AND ASSIGNMENT OF CERTAIN EXECUTORY
CONTRACTS AND UNEXPIRED LEASES IN CONNECTION WITH SALE**

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. On November [], 2016, Scout Media, Inc. and certain of its affiliates as debtors and debtors in possession (collectively, the “Debtors”) filed with the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) a motion (Docket No. ____) (the “Motion”) seeking entry of (a) an order (i) authorizing and approving bidding procedures (the “Bidding Procedures”), to be used in connection with the sale (the “Sale” or “Sale Transaction”) of substantially all of Scout Media, Inc. and Scout.com, LLC’s assets (the “Assets”), including procedures for selection of a Stalking Horse Purchaser; (ii) scheduling an auction for the Assets (the “Auction”); (iii) scheduling the hearing with respect to the approval of the sale (the “Sale Hearing”) and approval of the form and manner of notice thereof; (iv) authorizing certain procedures related to the Debtors’ assumption and assignment of executory contracts and unexpired leases (the “Assignment Procedures”) in connection with any Sale, including notice to each non-Debtor counterparty (each, a “Counterparty”) to an executory contract or unexpired lease (collectively, the “Contracts”) of the Debtors’ proposed cure amounts to cure all monetary defaults under the Contracts (the “Cure Costs”), if any, and notice of proposed assumption and assignment of certain Contracts (collectively, the “Proposed Assumed Contracts”) in connection with the Sale; and (v) granting related relief.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal taxpayer-identification number are: Scout Media Holdings, Inc. (1936), Scout Media, Inc. (1438), FTFS Acquisition, LLC (7230), and Scout.com, LLC (3269). The location of the Debtors’ headquarters and the Debtors’ service address is 122 West 26th Street, Fifth Floor, New York, NY 10036.

2. On [], the Bankruptcy Court entered the Bidding Procedures Order (Docket No. []) approving, in part, the relief requested in the Motion.

3. **The Sale Hearing will take place on January 27, 2017 at _ _ : _ _ [a.m./p.m.]** before the Honorable Michael E. Wiles, United States Bankruptcy Judge, in the Bankruptcy Court, Courtroom 617, located at One Bowling Green, New York, NY 10004. The Debtors' presentation to the Bankruptcy Court for approval of one or more highest or otherwise best bid(s) resulting from the Auction (each a "Successful Bid") does not constitute the Debtors' acceptance of such bid. The Debtors will have accepted the terms of a Successful Bid only when such bid has been approved by the Bankruptcy Court pursuant to a Sale Order.

4. In connection with the Sale, and in accordance with the Assumption and Assignment Procedures set forth in the Motion and the Bidding Procedures Order, the Debtors may seek to assume and assign to one or more Successful Bidder (as defined in the Bidding Procedures) certain Contracts of the Debtors. Each of the Debtors' Contracts is identified on Schedule 1 attached hereto. The inclusion of any Contract on Schedule 1 does not constitute an admission that a particular Contract is an executory contract or unexpired lease or require or guarantee that such Contract will be assumed or assigned, and all rights of the Debtors with respect thereto are reserved. The Cure Costs, if any, that the Debtors believe are required to be paid to the applicable Counterparty to cure any monetary defaults under each contract pursuant to Bankruptcy Code sections 365(b)(1)(A) and (B), to the extent that such Contract is ultimately assumed and assigned, is set forth on the Schedule 1.

5. Any Counterparty to a Contract that wishes to object to the proposed assumption, assignment, and sale of the Contract on any grounds (other than Adequate Assurance Objections, as noted below), including the subject of which objection is either (i) the Debtors' proposed Cure Costs to cure any outstanding monetary defaults then existing under such contract (each, a "Cure Objection") and/or (ii) an objection to the assignability of the Contract, whether on grounds that such contract is not assignable, is not an executory contract or unexpired lease, or otherwise (each, an "Assignability Objection") shall, by no later than **January 6, 2017 at 5:00 p.m. (prevailing Eastern Time)**, file with the Bankruptcy Court and serve its Cure Objection, Assignability Objection, and/or other objection on (i) Scout Media, Inc., 122 West 26th Street, Fifth Floor, New York, NY, Attn.: Craig Amazeen; (ii) proposed counsel to the Debtors, Womble Carlyle Sandridge & Rice, LLP, 222 Delaware Ave., Suite 1501, Wilmington, DE 19801, Attn: Matthew P. Ward; (iii) proposed counsel to any official committee appointed in these chapter 11 cases; and (iv) the Office of the United States Trustee for the Southern District of New York, U.S. Federal Office Building, 201 Varick

Street, Suite 1006, New York, New York 10014 (Attn: Brian Masumoto)
(collectively, the “Objection Recipients”).

6. The Bidding Procedures Order requires that the Debtors and a Counterparty that has filed a Cure Objection and/or Assignability Objection first confer in good faith to attempt to resolve the Cure Objection and/or Assignability Objection without Court intervention. If the parties are unable to consensually resolve the Cure Objection and/or Assignability Objection prior to the commencement of the Sale Hearing, the amount to be paid or reserved with respect to such Cure Objection and the assignability of the Contract shall be determined by the Bankruptcy Court at the Sale Hearing provided that, a Cure Objection may, at the Debtors’ discretion, after consulting with the Consultation Parties and the applicable Successful Bidder, be adjourned (an “Adjourned Cure Objection”) to a subsequent hearing. An Adjourned Cure Objection may be resolved after the closing date of the applicable Sale Transaction; provided that, the Debtors maintain a cash reserve equal to the cure amount the objecting Counterparty believes is required to cure the asserted monetary default under the applicable Contract. Upon resolution of an Adjourned Cure Objection and the payment of the applicable cure amount, if any, the applicable Contract that was the subject of such Adjourned Cure Objection shall be deemed assumed and assigned to the applicable Successful Bidder, as of the closing date of the applicable Sale Transaction. All objections to the proposed assumption and assignment of the Debtors’ right, title, and interest in, to, and under a Contract will be heard at the Sale Hearing, except with respect to an Adjourned Cure Objection as set forth herein.

7. If a Counterparty fails to timely file with the Bankruptcy Court and serve on the Objection Recipients a Cure Objection, Assignability Objection, and/or other objection the Counterparty shall be deemed to have consented to the assumption, assignment, and sale of the Contract (unless such Counterparty has timely filed an Adequate Assurance Objection (as defined below) with respect to the Contract, in which case the Counterparty may only object to the Successful Bidder’s adequate assurance) to the Successful Bidder and forever shall be barred from asserting any objection with regard to such assumption, assignment, and sale. The Cure Costs set forth in the Assumption and Assignment Notice shall be controlling and will be the only amount necessary to cure outstanding defaults under the Contract under Bankruptcy Code section 365(b), notwithstanding anything to the contrary in any Contract, or any other document, and the Counterparty to the Contract shall be deemed to have consented to the Cure Costs and forever shall be barred from asserting any other claims related to such Contract against the Debtors or any Successful Bidder(s) or their property.

8. In the event that the Debtors identify Counterparties that were not served with the Assumption and Assignment Notice, the Debtors may

subsequently serve such Counterparty with an Assumption and Assignment Notice, and the above procedures will nevertheless apply to such Counterparty; provided, however, that the deadline to file a Cure Objection, Assignability Objection, and/or any other objections (other than an Adequate Assurance Objection, discussed below) with respect to such additional Counterparty shall be 5:00 p.m. (prevailing Eastern Time) on the date that is 14 days following service of the Assumption and Assignment Notice.

9. Any Counterparty to a Proposed Assumed Contract that wishes to object to the proposed assumption, assignment, and sale of the Proposed Assumed Contract, the subject of which objection is a Successful Bidder's proposed form of adequate assurance of future performance with respect to such contract (each, an "Adequate Assurance Objection") shall file with the Court and serve on the Objection Recipients an Adequate Assurance Objection, which must state, with specificity, the legal and factual bases thereof, including any appropriate documentation in support thereof, by no later than **January 24, 2017, at 5:00 p.m. (prevailing Eastern Time)** (the "Adequate Assurance Objection Deadline").

10. The Bidding Procedures Order requires that the Debtors and a Counterparty that has filed an Adequate Assurance Objection first confer in good faith to attempt to resolve the Adequate Assurance Objection without Bankruptcy Court intervention. If the parties are unable to consensually resolve the Adequate Assurance Objection prior to the commencement of the Sale Hearing, such objection and all issues of adequate assurance of future performance of the applicable Successful Bidder shall be determined by the Court at the Sale Hearing.

11. If a Counterparty fails to timely file with the Court and serve on the Objection Recipients an Adequate Assurance Objection, the Counterparty shall be deemed to have consented to the assumption, assignment, and sale of the Proposed Assumed Contract (unless the Counterparty has filed a timely Cure Objection or Assignability Objection with respect to the Proposed Assumed Contract) to the applicable Successful Bidder and forever shall be barred from asserting any objection with regard to such assumption, assignment, and sale. The applicable Successful Bidder shall be deemed to have provided adequate assurance of future performance with respect to the applicable Proposed Assumed Contract in accordance with Bankruptcy Code section 365(f)(2)(B), notwithstanding anything to the contrary in the Proposed Assumed Contract, or any other document.

12. The inclusion of a Contract or other document or Cure Costs on the Contracts Schedule 1 attached hereto or on any Proposed Assumed Contracts Notice (as defined in the Motion) (collectively, the "Contract Notices") shall not constitute or be deemed a determination or admission by the Debtors, the applicable Successful Bidder(s), or any other party in interest that such Contract or other

document is an executory contract or an unexpired lease within the meaning of the Bankruptcy Code or that the stated Cure Costs are due (all rights with respect thereto being expressly reserved). The Debtors reserve all of their rights, claims, and causes of action with respect to each Contract or other document listed on the Contract Notices. **The Debtors' inclusion of any Contract on the Contract Notices shall not be a guarantee that such contract ultimately will be assumed or assumed and assigned.** The Contract Notices shall be without prejudice to the Successful Bidder's rights, if any, under the asset purchase agreement, to subsequently exclude Proposed Assumed Contracts from the assumption or assignment prior to the closing of the Sale Transaction.

13. The Debtors' assumption and/or assignment of a Contract is subject to approval by the Bankruptcy Court and consummation of one or more Sale Transactions. Absent consummation of one or more Sale Transactions and entry of a Sale Order approving the assumption and/or assignment of the Contracts, the Contracts shall be deemed neither assumed nor assigned, and shall in all respects be subject to subsequent assumption or rejection by the Debtors.

14. Copies of the Motion, the Bidding Procedures Order, and the Bidding Procedures may be obtained free of charge by contacting undersigned counsel. Copies of these documents are also available for inspection during regular business hours at the Office of the Clerk of the Bankruptcy Court, located at 824 N. Market Street, 3rd Floor, Wilmington, DE 19801, and may be viewed for a fee on the internet at the Bankruptcy Court's website (<http://www.deb.uscourts.gov/>) by following the directions for accessing the ECF system on such website.

Dated: December __, 2016

**WOMBLE CARLYLE SANDRIDGE &
RICE, LLP**

/s/

Matthew P. Ward (DE Bar No. 4471)
Ericka F. Johnson (DE Bar No. 5024)
Morgan L. Patterson (DE Bar No. 5388)
Nicholas T. Verna (DE Bar No. 6082)
222 Delaware Avenue, Suite 1501
Wilmington, DE 19801
Telephone: (302) 252-4320
Facsimile: (302) 252-4330
E-mail: maward@wcsr.com
E-mail: erjohnson@wcsr.com
E-mail: mpatterson@wcsr.com
E-mail: nverna@wcsr.com

*Proposed Counsel to the Debtors
and Debtors-in-Possession*

Schedule 1

Counterparty	Counterparty Address	Title/Description of Contract	Cure Cost

Exhibit 3

(Sale Notice)

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

In re:)
) Chapter 11
)
SCOUT MEDIA, INC., et al.,¹) Case No. 16-13369-MEW
)
Debtors.) Joint Administration Requested
)
)
)

NOTICE OF (A) THE SALE OF SUBSTANTIALLY ALL OF SCOUT MEDIA, INC. AND SCOUT.COM, LLC'S ASSETS, FREE AND CLEAR OF ALL LIENS, CLAIMS, AND ENCUMBRANCES, (B) APPROVAL OF CERTAIN BIDDING PROCEDURES RELATED TO SUCH SALE, (C) THE TIME, PLAN, AND MANNER OF CONDUCTING AN AUCTION, AND (D) THE TIME AND PLACE OF CONDUCTING THE SALE HEARING, AND OBJECTION AND OTHER DEADLINES RELATED THERETO

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. On November [], 2016, Scout Media, Inc. and certain of its affiliates as debtors and debtors in possession (collectively, the "Debtors") filed with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") a motion (Docket No. ___) (the "Motion") seeking entry of (a) an order (i) authorizing and approving bidding procedures (the "Bidding Procedures"), to be used in connection with the sale (the "Sale" or "Sale Transaction") of substantially all of Scout Media, Inc. and Scout.com, LLC's assets (the "Assets"), including procedures for selection of a Stalking Horse Purchaser; (ii) scheduling an auction for the Assets (the "Auction"); (iii) scheduling the hearing with respect to the approval of the sale (the "Sale Hearing") and approval of the form and manner of notice thereof; (iv) authorizing certain procedures related to the Debtors' assumption and assignment of executory contracts and unexpired leases (the "Assignment Procedures") in connection with any Sale, including notice to each non-Debtor counterparty (each, a "Counterparty") to an executory contract or unexpired lease (collectively, the "Contracts") of the Debtors' proposed cure amounts to cure all monetary defaults under the Contracts (the "Cure Costs"), if any, and notice of

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal taxpayer-identification number are: Scout Media Holdings, Inc. (1936), Scout Media, Inc. (1438), FTFS Acquisition, LLC (7230), and Scout.com, LLC (3269). The location of the Debtors' headquarters and the Debtors' service address is 122 West 26th Street, Fifth Floor, New York, NY 10036.

proposed assumption and assignment of certain Contracts (collectively, the “Proposed Assumed Contracts”) in connection with the Sale; and (v) granting related relief.

2. On December [], 2016, the Bankruptcy Court entered the Bidding Procedures Order (Docket No.).

3. Pursuant to the Bidding Procedures Order, any person or entity interested in participating in the Auction must submit a Qualified Bid (as defined in the Bidding Procedures) for the relevant Assets on or before **January 17, 2017 at 5:00 p.m. (prevailing Eastern Time)** (the “Bid Deadline”) to the following parties: (i) Scout Media, Inc., 122 West 26th Street, Fifth Floor, New York, NY, Attn. Craig Amazeen; (ii) proposed counsel to the Debtors, Womble Carlyle Sandridge & Rice, LLP, 222 Delaware Ave., Suite 1501, Wilmington, DE 19801, Attn: Matthew P. Ward (MaWard@wcsr.com); (iii) the Debtors’ financial advisor, Sherwood Partners, Inc., 1801 Century Park East, 25th Floor, Los Angeles, CA 90067, Attn: Andrew De Camara (ad@sherwoodpartners.com); (iv) proposed counsel to any official committee appointed in these chapter 11 cases (the foregoing entities in clauses (i) through (iv), the “Bid Notice Parties”).

4. If the Debtors receive more than one timely Qualified Bid for the Assets with an acceptable purchase price by the Bid Deadline, the Debtors will conduct the Auction. The Auction, if required, will be conducted at the offices of Womble Carlyle Sandridge & Rice, LLP, 222 Delaware Ave., Suite 1501, Wilmington, Delaware 19801 **on January 19, 2017 at 10:00 a.m. (Prevailing Eastern Time)**, or at such other time and location as designated by the Debtors, after consultation with the Consultation Parties.²

5. Objections to the Sale Transaction (the “Sale Objection”), including any objection to the sale of any Assets free and clear of liens, claims, interests, and encumbrances pursuant to Bankruptcy Code section 363(f) and entry of any sale order (other than Cure Objections, Assignability Objections, and/or Adequate Assurance Objections (each as defined below)) must (a) be in writing and specify the nature of such objection; (b) comply with the Bankruptcy Code, Bankruptcy Rules, Local Rules, and all orders of the Bankruptcy Court; and (c) be filed with the Bankruptcy Court and served on: (i) the Debtors, Scout Media, Inc., 122 West 26th Street, Fifth Floor, New York, NY 10036 (Attn: Craig Amazeen); (ii) counsel for the Debtors, Womble Carlyle Sandridge & Rice, LLP, 222 Delaware Ave., Suite 1501, Wilmington, DE 19801 (Attn: Matthew P. Ward); (iii) counsel for any official committee of unsecured creditors appointed in these chapter 11 cases;

² The “Consultation Parties” are (a) Levy, Small & Lallas and Chipman Brown Cicero & Cole, as counsel to the DIP Lender and (b) counsel for any official committee of unsecured creditors appointed in these Cases.

(iv) counsel for the Debtors' DIP Lenders, Levy, Small & Lallas, 815 Morgaga Drive, Los Angeles, CA 90049 (Attn: Leo Plotkin) and Chipman Brown Cicero & Cole, LLP, Hercules Plaza, 1313 N. Market St., Suite 5400, Wilmington, DE 19801 (Attn: William E. Chipman, Jr.); (v) the Bridge Lenders, (vi) counsel (if applicable) of any Successful Bidder; (vii) counsel (if applicable) of any Backup Bidder; (x) counsel (if applicable) of any Stalking Horse Purchaser; and (xi) the Office of the United States Trustee for the Southern District of New York, U.S. Federal Office Building, 201 Varick Street, Suite 1006, New York, New York 10014 (Attn: Brian Masumoto) (collectively, the "Objection Recipients") by **January 24, 2017 at 5:00 p.m. (Prevailing Eastern Time)** (the "Sale Objection Deadline").

Notwithstanding the foregoing or anything herein to the contrary, the deadline to file Cure Objections and/or Assignability Objections shall be _____, and the deadline to file an Adequate Assurance Objection in connection with a proposed Sale Transaction shall be **January 24, 2017 at 5:00 p.m. (Prevailing Eastern Time)** (the "Adequate Assurance Objection Deadline").

All Sale Objections not otherwise resolved by the parties prior thereto shall be heard at the Sale Hearing. **THE FAILURE OF ANY PARTY TO TIMELY FILE WITH THE BANKRUPTCY COURT AND SERVE ON THE OBJECTION RECIPIENTS A SALE OBJECTION FOREVER SHALL BE BARRED FROM ASSERTING, AT THE APPLICABLE SALE HEARING OR THEREAFTER, ANY OBJECTION TO THE RELIEF REQUESTED IN THE MOTION, OR TO THE CONSUMMATION AND PERFORMANCE OF THE SALE TRANSACTION CONTEMPLATED BY AN ASSET PURCHASE AGREEMENT WITH A SUCCESSFUL BIDDER, INCLUDING THE TRANSFER OF THE ASSETS TO THE APPLICABLE SUCCESSFUL BIDDER, FREE AND CLEAR OF ALL LIENS, CLAIMS, INTERESTS, AND ENCUMBRANCES PURSUANT TO BANKRUPTCY CODE SECTION 363(F).**

6. The Sale Hearing will take place on **January 27, 2017 at _:_** **[a.m./p.m.] (Prevailing Eastern Time)**, before the Honorable Michael E. Wiles, United States Bankruptcy Judge, in the Bankruptcy Court, Courtroom 617, located at One Bowling Green, New York, NY 10004. The Debtors' presentation to the Bankruptcy Court for approval of a Successful Bid does not constitute the Debtors' acceptance of such bid. The Debtors will have accepted the terms of a Successful Bid only when such bid has been approved by the Bankruptcy Court pursuant to a Sale Order.

7. To the extent set forth in the Bidding Procedures, the Debtors reserve the right to, in their reasonable business judgment, and in consultation with the Consultation Parties, modify the Bidding Procedures at any time, including,

without limitation, to extend deadlines and proposed dates set forth therein, including extending the Bid Deadline, modifying the date of the Auction, and adjourning and/or rescheduling the Sale Hearing. This Notice is subject to the full terms and conditions set forth in the Bidding Procedures Order and the Bidding Procedures.

8. Parties interested in receiving additional information, including, with regard to the Sale, the Assets, the Auction or the Bidding Procedures may make requests to the Debtors' financial advisor, Sherwood Partners, Inc. (Attn: Andrew De Camara (ad@sherwoodpartners.com)).

9. Copies of the Motion, the Bidding Procedures Order, and the Bidding Procedures may be obtained free of charge by contacting undersigned counsel. Copies of these documents are also available for inspection during regular business hours at the Office of the Clerk of the Bankruptcy Court, located at 824 N. Market Street, 3rd Floor, Wilmington, DE 19801, and may be viewed for a fee on the internet at the Bankruptcy Court's website (<http://www.deb.uscourts.gov/>) by following the directions for accessing the ECF system on such website.

Dated: December __, 2016

**WOMBLE CARLYLE SANDRIDGE &
RICE, LLP**

/s/

Matthew P. Ward (DE Bar No. 4471)
Ericka F. Johnson (DE Bar No. 5024)
Morgan L. Patterson (DE Bar No. 5388)
Nicholas T. Verna (DE Bar No. 6082)
222 Delaware Avenue, Suite 1501
Wilmington, DE 19801
Telephone: (302) 252-4320
Facsimile: (302) 252-4330
E-mail: maward@wcsr.com
E-mail: erjohnson@wcsr.com
E-mail: mpatterson@wcsr.com
E-mail: nverna@wcsr.com

*Proposed Counsel to the Debtors
and Debtors-in-Possession*

Exhibit C

(Sale Declaration)

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

In re:)
) Chapter 11
)
SCOUT MEDIA, INC., et al.,¹) Case No. 16-13369-MEW
)
Debtors.) Joint Administration Requested
)
)
)

**DECLARATION OF ANDREW DE CAMARA
IN SUPPORT OF MOTION OF THE DEBTORS FOR ENTRY OF ORDERS
(I)(A) APPROVING BIDDING PROCEDURES FOR THE SALE OF
SUBSTANTIALLY ALL OF SCOUT MEDIA, INC. AND SCOUT.COM,
LLC’S ASSETS, INCLUDING PROCEDURES FOR SELECTION OF A
STALKING HORSE PURCHASER, (B) SCHEDULING AN AUCTION,
(C) APPROVING THE FORM AND MANNER OF NOTICE THEREOF,
(D) APPROVING ASSUMPTION AND ASSIGNMENT PROCEDURES; AND
(E) SCHEDULING A SALE HEARING AND APPROVING THE FORM AND
MANNER OF NOTICE THEREOF; (II)(A) APPROVING THE SALE OF
SUBSTANTIALLY ALL OF SCOUT MEDIA, INC. AND SCOUT.COM,
LLC’S ASSETS FREE AND CLEAR OF LIENS, CLAIMS, INTERESTS, AND
ENCUMBRANCES AND (B) APPROVING THE ASSUMPTION AND
ASSIGNMENT OF EXECUTORY CONTRACTS AND UNEXPIRED
LEASES; AND (III) GRANTING RELATED RELIEF**

I, Andrew De Camara, hereby declare under penalty of perjury:

1. I am a Senior Managing Director of Sherwood Partners, Inc. (“Sherwood”)

with offices located at 1100 La Avenida Street, Building A, Mountain View, CA

94043. Sherwood was retained in September of 2016 to act as financial advisors to

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal taxpayer-identification number are: Scout Media Holdings, Inc. (1936), Scout Media, Inc. (1438), FTFS Acquisition, LLC (7230), and Scout.com, LLC (3269). The location of the Debtors’ headquarters and the Debtors’ service address is 122 West 26th Street, Fifth Floor, New York, NY 10036.

Scout Media Holdings, Inc. (“SMHI”), Scout Media, Inc. (“SMI”), FTFS Acquisition, LLC (“FTFSA”), and Scout.com, LLC (“S.com” and together with SMHI, SMI, and FTFSA, the “Debtors”).

2. On December 1, 2016 (the “SMI Petition Date”), an involuntary petition was filed against Scout Media, Inc. (“Scout Media” or “SMI”), and on the date hereof (the “Remaining Debtors’ Petition Date” and, together with the SMI Petition Date, the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “Bankruptcy Code”). The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108. Concurrently herewith, the Debtors filed a motion seeking joint administration of these chapter 11 cases (collectively, the “Cases”) pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

3. I submit this declaration (the “Sale Declaration”) in support of Motion of the Debtors for Entry of Orders (I)(A) Approving Bidding Procedures for the Sale of Substantially All of Scout Media, Inc. and Scout.Com, LLC’s Assets, Including Procedures for Selection of a Stalking Horse Purchaser, (B) Scheduling an Auction, (C) Approving the Form and Manner of Notice Thereof, (D) Approving Assumption and Assignment Procedures; and (E) Scheduling a Sale Hearing and Approving the Form and Manner of Notice Thereof; (II)(A) Approving the Sale of Substantially All of Scout Media, Inc. and Scout.Com, LLC’s Assets Free And Clear of Liens, Claims, Interests, and Encumbrances and (B) Approving the Assumption and Assignment of

Executory Contracts and Unexpired Leases; and (III) Granting Related Relief (the “Motion”)² filed contemporaneously herewith.

4. Except as otherwise indicated herein, all facts set forth in this Sale Declaration are based upon my personal knowledge of the Debtors’ operations and finances, information learned from my review of relevant documents, information supplied to me by members of the Debtors’ management team and the Debtors’ other advisors including my co-workers at Sherwood, or my opinion based on my experience with and knowledge of Debtors’ operations. I am authorized to submit this Sale Declaration on behalf of the Debtors, and, if called upon to testify, I could and would testify competently to the facts set forth herein.

5. In September 2016, the Debtors retained Sherwood as their financial advisors, and in October, Sherwood began to explore and solicit interest in a sale of Scout Media Holdings, Inc.’s stock in Scout Media and Scout.com, LLC.

6. Sherwood undertook a robust marketing process for the Assets. Specifically, Sherwood made initial contact with 154 potential purchasers. Of the 154 potential strategic and financial buyers Sherwood contacted, twenty (20) parties signed non-disclosure agreements and have been provided with access to extensive diligence materials. Despite varying levels of due diligence and meetings by and

² Capitalized terms not specifically defined herein shall have the meanings ascribed to them in the Motion.

among interested parties, Scout management and Sherwood, no one has submitted a letter of intent or provided any definitive sale offer at this time.

7. In November 2016, Sherwood ascertained that, despite interest in the Assets, buyers would be more willing to purchase the Assets through a chapter 11 process. Accordingly, the Debtors commenced the Cases in order to effectuate the Sale Transaction as set forth in the Motion.

8. The Motion sets forth the following expedited timeline for completion of the Sale process:

December 22, 2016	Hearing to Consider Entry of the Bidding Procedures Order
December 23, 2016	Deadline to Serve Sale Notice and Notice of Assumption and Assignment
December 30, 2016	Sale Notice Publication Deadline
January 6, 2017 at 5:00 p.m. (prevailing Eastern Time)	Deadline to file Cure Objections and Assignability Objections
January 17, 2017 at 5:00 p.m. (prevailing Eastern Time)	Bid Deadline
January 18, 2016 at 5:00 p.m. (prevailing Eastern Time)	Deadline for Debtors to notify bidders of their status as Qualified Bidders
January 19, 2017 at 10:00 a.m. (prevailing Eastern Time)	Auction, to be held at the offices of Womble Carlyle Sandridge & Rice, LLP, 222 Delaware Ave., Suite 1501, Wilmington, Delaware
January 20, 2017 at 5:00 p.m. (prevailing Eastern Time)	Deadline to File Auction Results
January 24, 2017 at 5:00 p.m. (prevailing Eastern Time)	Deadline to file objections to Sale Transaction(s) (other than Cure Objections and Assignability Objections)

January 24, 2017 at 5:00 p.m. (prevailing Eastern Time)	Deadline to file Adequate Assurance Objections
January 27, 2017	Proposed hearing to approve proposed Sale Transaction(s)

I believe that conducting the Sale process within the time periods set forth above is reasonable in light of the Debtors' liquidity, and will provide parties with sufficient time and information necessary to formulate a bid to purchase the Assets.

Specifically, potential bidders will have access to comprehensive information prepared by the Debtors and their advisors and a substantial body of data, inclusive of presentations with myself and my colleagues, as well as the Debtors' management, membership reports, publisher reports, and historical financial data and projections.

Because the Debtors are no longer able to operate their businesses as currently constituted without near-constant infusions of cash the expedited Sale process is the most efficient avenue for selling their operations while they still have realizable value and can be maintained as a going concern.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing statements are true and correct.

Dated: December 8, 2016



Andrew De Camara
Senior Managing Director
Sherwood Partners, Inc.

Exhibit D
(Form APA)

ASSET PURCHASE AGREEMENT

by and among

SCOUT MEDIA, INC.,

SCOUT.COM, LLC

and

[PURCHASER]

Dated as of [●]

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “Agreement”), dated as of [●], is made by and among Scout Media, Inc., a Washington corporation (“Scout Media”), Scout.com, LLC, a Washington limited liability company (“Scout.com” and together with Scout Media, the “Sellers” and each, individually, a “Seller”), and [●], a [●] (“Purchaser”). Sellers and Purchaser are each referred to herein as a “Party” and collectively, as the “Parties”.

RECITALS

A. On November [●], 2016, Sellers filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. § 101 et sec. (the “Bankruptcy Code”), in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”), commencing the case captioned *In re: Scout Media Holdings, Inc.*, [16-##### (JUDGE)] (the “Bankruptcy Case”).

B. Purchaser desires to purchase from Sellers, and Sellers desire to sell to Purchaser, substantially all of the assets that constitute the Business (as defined below), subject to and upon the terms and conditions in this Agreement.

C. The Parties intend to effectuate the transactions contemplated by this Agreement through a sale by Sellers of the assets of the Business pursuant to Section 363 of the Bankruptcy Code.

D. The execution and delivery of this Agreement and Sellers’ ability to consummate the transactions set forth in this Agreement are subject, among other things, to the entry of an order of the Bankruptcy Court under, *inter alia*, Sections 363 and 365 of the Bankruptcy Code.

In consideration of the covenants and mutual agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

ARTICLE 1 **DEFINITIONS**

1.1 Capitalized Terms. In addition to the other defined terms appearing elsewhere herein, the following capitalized terms shall have the meanings set forth below.

(a) “Affiliate” means, as to any Person, any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with the first Person, where the term “control” means the power to direct, or cause the direction of, the management or policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

(b) “Alternative Transaction” means a transaction or series of transactions in which any or all of the Purchased Assets used to derive, directly or indirectly, fifty percent (50%) or more of the revenues, net income or cash flow from operations or assets of the Business in the

immediately preceding fiscal quarter are sold, assigned, transferred or otherwise exchanged for value.

- (a) “Assumed Liabilities” has the meaning set forth in Section 2.3.
- (b) “Back-up Bid” means a binding offer from any Person approved by the Sellers and the Bankruptcy Court to purchase the Purchased Assets upon the termination of this Agreement.
- (c) “Bankruptcy Case” shall have the meaning ascribed to such term in the Recitals.
- (d) “Bankruptcy Code” shall have the meaning ascribed to such term in the Recitals.
- (e) “Bankruptcy Court” shall have the meaning ascribed to such term in the Recitals.
- (f) “Bankruptcy Rules” shall mean the Federal Rules of Bankruptcy Procedure.
- (g) “Benefit Arrangement” means any employment, consulting, severance or other similar contract, arrangement or policy (written or oral) and each plan, arrangement, program, agreement or commitment (written or oral) providing for insurance coverage (including any self-insured arrangements), workers’ compensation, disability benefits, supplemental unemployment benefits, vacation benefits, retirement benefits, life, health or accident benefits (including any “voluntary employees’ beneficiary association” as defined in Section 501(c)(9) of the Code providing for the same or other benefits) or for deferred compensation, profit-sharing, bonuses, stock options, stock appreciation rights, stock purchases or other forms of incentive compensation or post-retirement insurance, compensation or benefits which (a) is not a Welfare Plan, Pension Plan or Multiemployer Plan and (b) is entered into, maintained, contributed to or required to be contributed to or has been entered into, maintained, contributed to or required to be contributed to, by Sellers or under which Sellers have or may have any Liability.
- (h) “Bidding Procedures Order” means that certain Order (I)(A) Approving Bidding Procedures for the Sale of Substantially all of Scout Media, Inc. and Scout.com LLC’s Assets, Including Procedures for Selection of Stalking Horse Purchaser, (B) Scheduling an Auction, (C) Approving the Form and Manner of Notice Thereof, (D) Approving Assumption and Assignment Procedures, and (E) Scheduling a Sale Hearing and Approving the Form and Manner of Notice Thereof, and (II)(A) Approving the Sale of Substantially All of Scout Media, Inc. and Scout.com LLC’s Assets Free and Clear of Liens, Claims, Interests, and Encumbrances and (B) Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases; and (III) Granting Related Relief, entered by the Bankruptcy Court in the Bankruptcy Case on [●] (Docket No. [●]).
- (i) “Books and Records” has the meaning set forth in Section 2.1(g).

(j) “Business” means [the operation of a proprietary platform that publishes team and player-specific news and commentary that is created through a network of publishers, as such platform is operated by Sellers on the Closing Date].

(k) “Business Day” means any day other than a Saturday or Sunday or any other day in which banks in New York, New York are required or authorized by law to be closed.

(l) “Claim” has the meaning set forth in Section 101(5) of the Bankruptcy Code.

(m) “Closing” has the meaning set forth in Section 3.1.

(n) “Closing Date” has the meaning set forth in Section 3.1.

(o) “Closing Date Payment” means an amount equal to [●] Dollars (\$[●]).

(p) “Code” means the Internal Revenue Code of 1986, as amended.

(q) “Collateral Agreements” has the meaning set forth in Section 4.1(e)(ii).

(r) “Contract” means any written or oral contract, agreement, instrument, commitment, arrangement or undertaking that is legally binding (including licenses, joint ventures, partnerships, engagements, guarantees, sublicenses, subcontracts and purchase orders).

(s) “Cure Costs” means all liabilities, obligations and commitments of Sellers for all cure, compensation and reinstatement costs or expenses of or relating to the assumption and assignment of any Contracts (including, for the avoidance of doubt, real and personal property leases) to be assumed and assigned as part of the Transferred Agreements that are payable or necessary to cure any defaults pursuant to Section 365 of the Bankruptcy Code on account of any obligation or default arising before the Closing Date.

(t) “Domain Names” has the meaning set forth in Section 2.1(c).

(u) “ERISA Affiliate” shall mean any corporation or other business entity that is included in a controlled group of corporations within which Sellers is also included, as provided in Section 414(b) of the Code; or which is a trade or business under common control with Sellers, as provided in Section 414(c) of the Code; or which constitutes a member of an affiliated service group within which Sellers is also included, as provided in Section 414(m) of the Code; or which is required to be aggregated with Sellers pursuant to regulations issued under Section 414(o) of the Code; or which is treated as a single employer with Sellers under Section 4001 of the Employee Retirement Income Security Act of 1974, as amended.

(v) “Escrow Letter” means that certain Escrow Letter Agreement dated as of the date hereof, by and among Purchaser, Sherwood and Scout Media.

(w) “Excluded Assets” shall mean the following items:

- (i) Cash and cash equivalents and current assets of Sellers, in each case determined in accordance with GAAP;
 - (ii) All accounts receivables accrued and existing as of the Closing;
 - (iii) All Contracts other than the Transferred Agreements;
 - (iv) All claims for refunds of Taxes and other governmental charges of whatever nature;
 - (v) All health and Benefit Arrangements maintained by Sellers for its employees;
 - (vi) All causes of action, including without limitation all claims and causes of action under sections 544, 545, 547, 548, 549, 550, or 553 of the Bankruptcy Code, and any other claims or causes of action belonging to Sellers or their estates, and all of Sellers' rights and causes of action arising under section 502 and 503 of the Bankruptcy Code and Rule 3007 thereunder;
 - (vii) Sellers' corporate seals, stock record books, corporate record books containing minutes of meeting of directors and stockholders, Tax Returns and records (originals only – with copies of such returns and records being deemed to be Purchased Assets to the extent now or hereafter relevant to any indemnifiable Losses of a Purchaser Indemnified Party), books of account and ledgers and such other record having to do solely with Sellers' organization or stock capitalization or Excluded Assets or Liabilities retained by Sellers;
 - (viii) All personal records and other records that Sellers is required by Law to retain in its possession; and
 - (ix) All assets of a Seller other than the Purchased Assets.
- (x) “Final Order” means an order of the Bankruptcy Court (i) that has not been reversed, vacated or stayed, and the time to file an appeal or a motion to reconsider has expired and is not stayed, or (ii) with respect to which any appeal has been finally decided and no further appeal or petition for certiorari can be taken or granted.
- (y) “GAAP” means United States generally accepted accounting principles in effect from time to time.
- (z) “Governmental Authority” means any governmental, regulatory or administrative authority, agency or commission or any court, tribunal, judicial or arbitral body, and any instrumentality of any of the foregoing.
- (aa) “Governmental Order” means any order, ruling, writ, judgment, injunction, decree, stipulation, determination, award or binding agreement issued, promulgated or entered by or with any Governmental Authority, and in the case of Tax-related matters, includes any closing agreement or similar settlement, ruling, technical advice request, voluntary

disclosure or managed audit initiated in relation to or affecting the Purchased Assets or the Business.

(bb) “Intellectual Property” means all (i) patents and patent applications, (ii) trademarks, service marks, trade dress, logos, Internet domain names, trade names and corporate names, whether registered or unregistered, and the goodwill associated therewith, together with any registrations and applications for registration thereof, (iii) copyrights and rights under copyrights, whether registered or unregistered, and any registrations and applications for registration thereof, (iv) trade secrets and other rights in know-how and confidential or proprietary information, including any technical data, specifications, techniques, inventions and discoveries, in each case, to the extent that it qualifies as a trade secret under applicable Law and (v) all other intellectual property rights recognized by applicable Law.

(cc) “Knowledge” means, with respect to Sellers, the actual knowledge of the Chief Financial Officer and Chief Strategy Officer of each Seller after due inquiry.

(dd) “Laws” shall mean any constitution, statute, law, ordinance, regulation, rule, code, requirement or rule of law.

(ee) “Liability” means any direct or indirect debt, liability, commitment or obligation (whether known or unknown, matured or not matured, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, incurred or consequential and due or to become due), including any liability for Taxes.

(ff) “Lien” means any mortgage, pledge, lien, security interest, charge, Claim, or other encumbrance. Notwithstanding the foregoing, the performance obligations of an assignee of a Transferred Agreement and the other terms of such Transferred Agreement shall not be deemed to be a Lien on such Transferred Agreement.

(gg) “Material Adverse Change” means any result, occurrence, fact, change, event or effect that (i) has, or is reasonably expected to have, a materially adverse effect on the business, assets, liabilities, prospects, condition, or results of operations of the Business taken as a whole, or (ii) results in the inability of Sellers to convey to Purchaser all of the material elements of the Purchased Assets.

(hh) “Multiemployer Plan” means any “multiemployer plan,” as defined in Section 4001(a)(3) of ERISA, which any Sellers or any ERISA Affiliate maintains, administers, contributes to or is required to contribute to, or maintained, administered, contributed to or was required to contribute to, or under which any Sellers or any ERISA Affiliate has or may have any Liability.

(ii) “Pension Plan” means any “employee pension benefit plan” as defined in Section 3(2) of ERISA (other than a Multiemployer Plan) which Sellers or any ERISA Affiliate maintains, administers, contributes to or is required to contribute to, or maintained, administered, contributed to or was required to contribute to, or under which Sellers or any ERISA Affiliate has or may have any Liability.

(jj) “Permits” means all licenses, permits, franchises, approvals, registrations, authorizations, consents or orders of, or filings with, any Governmental Authority or any other Person necessary for the conduct of the Business in compliance with Law.

(kk) “Person” means an individual, partnership, firm, corporation, limited liability company, association, joint venture, trust, unincorporated organization or other entity (including any Governmental Entity or any department, agency or political subdivision thereof).

(ll) “Purchase Price” means an amount equal to the Closing Date Payment plus all Cure Costs.

(mm) “Purchased Assets” has the meaning set forth in Section 2.1.

(nn) “Proportionate Percentage” means, with respect to Scout Media, [●] (●%), and with respect to Scout.com, [●] (●%).¹

(oo) “Retained Liabilities” has the meaning set forth in Section 2.4.

(pp) “Rule” or “Rules” means the Federal Rules of Bankruptcy Procedure.

(qq) “Sale Order” means that certain Order (I) Approving the Sale of Scout Media, Inc. and Scout.com, LLC’s Assets Free and Clear of Liens, Claims, Interests, and Encumbrances; (II) Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection Therewith; and (III) Granting Related Relief, in the form attached hereto as Exhibit A.

(rr) “Sale Order Condition” means the Sale Order is a Final Order and has been entered by the Bankruptcy Court without any changes thereto that, if the Closing were completed, could (i) have a material adverse affect, or could be expected to adversely affect, Purchaser’s right, title and interest in and to the Purchased Assets or (ii) cause the imposition on Purchaser of, or fail to discharge Purchaser from, any material liability or obligation (other than the Assumed Liabilities or Purchaser’s obligations hereunder) or its ability to use the Purchased Assets after the Closing.

(ss) “Seller Contracts” has the meaning set forth in Section 5.7(a).

(tt) “Sherwood” means Sherwood Partners, Inc., a Delaware corporation.

(uu) “Subsidiary” means with respect to any Person, any corporation, association, business entity, partnership, limited liability company or other Person of which such Person, either alone or together with one or more Subsidiaries or by one or more other Subsidiaries (i) directly or indirectly owns or controls securities or other interests representing at least fifty percent (50%) of the voting power of such Person, or (ii) is entitled, by contract or otherwise, to elect, appoint or designate directors or other members constituting a majority of the members of such Person’s board of directors, board of managers or other governing body.

¹ Note to Draft: Represents allocation of Closing Date Payment between Scout Media and Scout.com.

(vv) “Successor Taxes” means any Liability for the unpaid Taxes of any Person under Treasury Regulation Section 1.1502-6 (or any similar provision of Law), as a transferee or successor, by contract, or otherwise, including without limitation any Tax that (a) accrued prior to the effective time of the Closing with respect to or affecting the Purchased Assets or the Business, and (b) is transferred to Purchaser by operation of applicable successorship (including successor Tax liability) Law, including Tax-related “bulk transfer” Laws.

(ww) “Tangible Assets” has the meaning set forth in Section 2.1(b).

(xx) “Tax” or, collectively, “Taxes,” shall mean (i) any and all federal, state, local and foreign taxes, assessments and other governmental charges, duties, impositions and liabilities, including taxes based upon or measured by gross receipts, income, profits, sales, use and occupation, and value added, ad valorem, transfer, margin, franchise, withholding, payroll, recapture, employment, excise and property taxes, unclaimed, abandoned, or escheated property, and any other regulatory or governmental imposts, in each case together with all interest, penalties and additions imposed with respect to such amounts; (ii) any liability for the payment of any amounts of the type described in clause (i) as a result of being a member of an affiliated, consolidated, combined or unitary group for any period; and (iii) any Transfer Taxes or Successor Taxes.

(yy) “Tax Returns” means any return, report, declaration, form, claim for refund, information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

(zz) “Termination Fee” means an amount equal to [●] (\$[●]).

(aaa) “Transfer Taxes” has the meaning set forth in Section 3.5.

(bbb) “Transferred Agreements” means, collectively, (i) the Transferred Contracts and (ii) the Transferred Tangible Asset Leases.

(ccc) “Transferred Contracts” means those Contracts set forth on Schedule (ccc).

(ddd) “Transferred Tangible Asset Leases” has the meaning set forth in Section 5.9(b).

(eee) “Web Site” shall mean any public or private website owned, used, held for use, maintained or operated by or on behalf of Sellers since December 31, 2014, including without limitation the websites listed on Schedule 1(ee).

(fff) “Welfare Plan” means any “employee welfare benefit plan” as defined in Section 3(1) of ERISA, which Sellers or any ERISA Affiliate maintains, administers, contributes to or is required to contribute to, or maintained, administered, contributed to or was required to contribute to, or under which Sellers or any ERISA Affiliate has or may have any Liability.

ARTICLE 2
PURCHASE AND SALE OF ASSETS; ASSUMPTION OF LIABILITIES

2.1 Purchase and Sale of Assets. Subject to the terms and conditions set forth in this Agreement and in accordance with Sections 363 and 365 of the Bankruptcy Code, at the Closing, Sellers shall sell, assign, transfer, convey and deliver to Purchaser good and valid title, free of any Liens, and Purchaser hereby agrees to purchase, acquire and, solely in the case of the Transferred Agreements, to assume from Sellers, all of Sellers' right, title and interest in and to all of the property and assets of Sellers owned, used, or held for use in connection with the conduct of the Business, whether real, personal or mixed, tangible and intangible, of every kind and description, wherever located, including without limitation the following (but excluding for all purposes the Excluded Assets):

- (a) all Intellectual Property, including the registered patents, copyrights and trademarks set forth on Schedule 2.1(a) hereof;
- (b) all tangible assets, including without limitation all furniture, fixtures, supplies, hardware and those assets set forth on Schedule 2.1(b) hereof (collectively, the "Tangible Assets");
- (c) all Internet domain names, including those Internet domain names listed on Schedule 2.1(c) (the "Domain Names");
- (d) all Web Sites;
- (e) the Transferred Agreements;
- (f) all goodwill associated with the Purchased Assets;
- (g) all documents and records (in paper or electronic format) in Sellers' or any of Sellers' Affiliates' care, custody or control (collectively, "Books and Records"); and
- (h) to the extent transferable all Permits, if any, held by Sellers.

All of the assets referred to in this Section 2.1 are collectively referred to herein as the "Purchased Assets".

2.2 Excluded Assets. Anything herein to the contrary notwithstanding, the Purchased Assets shall not include, and Sellers shall retain ownership of, the Excluded Assets.

2.3 Assumed Liabilities. In connection with the acquisition of the Purchased Assets pursuant to this Agreement, at the Closing, Purchaser shall assume and agree to pay, perform, satisfy and discharge as and when due (i) all Cure Costs and (ii) all other Liabilities of Sellers under the Transferred Agreements but only to the extent to be performed, or arising from circumstances, events or transactions occurring, on or after the Closing Date (the "Assumed Liabilities").

2.4 Retained Liabilities. Anything herein the contrary notwithstanding, Purchaser is not assuming nor shall it be obligated to pay, perform or otherwise discharge, and Sellers shall retain and remain solely responsible for the payment or satisfaction, without recourse to Purchaser, any and all Liabilities other than the Assumed Liabilities of Sellers or any of their Affiliates (collectively, “Retained Liabilities”), which Retained Liabilities include without limitation all Liabilities (A) arising from or in connection with circumstances, events or transactions occurring prior to the Closing Date; and (B) currently existing or hereafter arising with respect to:

(i) any employment or contractor arrangements, Benefit Arrangement, Pension Plan, Multiemployer Plan or Welfare Plan maintained or participated in by Sellers or any Affiliate, whether such Liability (or the claim related thereto) accrued or arose prior or subsequent to the Closing Date;

(ii) all Taxes of Sellers and their Affiliates including, without limitation, any Tax in any way arising out of or related to Sellers’ or their Affiliates’ ownership and operation of the Business or the Purchased Assets for the period prior to the Closing Date, whether the filing of the applicable Tax Return, if any, occurs prior or subsequent to the Closing Date, and including any Successor Taxes;

(iii) any Liabilities of Sellers arising or incurred in connection with the negotiation, preparation, investigation and performance of this Agreement, the Collateral Agreements, and the transactions contemplated hereby and thereby, including, without limitation, fees and expenses of counsel, accountants, consultants, advisers and others;

(iv) any Liabilities associated with indebtedness of Sellers;

(v) any Liabilities arising out of, in respect of or in connection with the failure by Sellers to comply with any Law or Governmental Order;

(vi) all current liabilities of Sellers (as determined in accordance with GAAP); and/or

(vii) Liabilities relating to the Excluded Assets.

ARTICLE 3 **CLOSING; PURCHASE PRICE**

3.1 Closing. The consummation of the transactions contemplated hereby (the “Closing”) shall take place by electronic exchange of signature pages no later than ten days following the satisfaction or waiver of the conditions set forth in Sections 4.1, 4.2 and 4.3 or such other date as mutually agreed upon by Purchaser and Scout Media. The date on which the Closing shall occur is referred to herein as the “Closing Date.” The Closing shall be effective for all purposes as of 12:01 a.m. on the Closing Date.

3.2 Good Faith Deposit. On the date hereof, Purchaser has delivered to Sherwood a deposit in an aggregate amount equal to ten percent (10%) of the Purchase Price (the “Deposit”), by wire transfer to be held in escrow until the Closing pursuant to the Escrow Letter.

3.3 Payments at Closing. At the Closing, in consideration of the sale, transfer, conveyance and assignment of the Purchased Assets to Purchaser, Purchaser shall:

- (a) direct Sherwood to release, on behalf of Purchaser, the Deposit to Scout Media;
- (b) pay by wire transfer of immediately available funds an amount equal to the Closing Date Payment (after the deduction of the Deposit) to an account designated by Scout Media; and
- (c) subject to Section 3.7 hereof, pay by wire transfer of immediately available funds to each counterparty to the Transferred Agreements the Cure Costs, if any, set forth opposite such Person's name on the Flow of Funds Memorandum.

The Parties agree and acknowledge that all payments made by Purchaser to Scout Media pursuant to this Section 3.3 shall be deemed to have been made to Scout Media and Scout.com in proportion to their relative Proportionate Percentages. Immediately following the Closing, Scout Media shall pay to Scout.com an amount equal to the product of the Closing Date Payment and Scout.com's Proportionate Percentage.

3.4 Flow of Funds Memorandum. No later than 3 Business Days prior to the Closing Date, Sellers shall prepare and deliver to Purchaser a flow of funds memorandum (the "Flow of Funds Memorandum") that sets forth the applicable payees, amounts payable and wire instructions for all amounts payable under Section 3.3 hereof.

3.5 Transfer Taxes. Purchaser shall be responsible for any sales, use, excise, VAT or other transfer Taxes ("Transfer Taxes"), which are incurred or owed as a result of the sale, purchase or transfer of the Purchased Assets.

3.6 Further Assurances; Post-Closing Cooperation.

(a) From time to time after the Closing until the date of the closing of the Bankruptcy Case pursuant to a Final Order issued by the Bankruptcy Court (the "Case Closing Date"), the closing of the Bankruptcy Case, at the request of Purchaser, Sellers shall execute and deliver to Purchaser such other instruments of sale, transfer, conveyance, assignment and confirmation, provide such materials and information and take such other actions as may be reasonably necessary in order to transfer, convey and assign to Purchaser, and to confirm Purchaser's title to, all of the Purchased Assets.

(b) Following the Closing until the Case Closing Date, Sellers will afford Purchaser, its counsel and accountants, during normal business hours and upon reasonable advance notice, reasonable access to review (i) the books, records and other data relating to the applicable Purchased Assets in Sellers' possession with respect to periods prior to the Closing and the right to make copies and extracts therefrom, at Purchaser's cost and expense, but only to the extent that such access may be reasonably required by Purchaser in connection with (A) Purchaser's compliance with the requirements of any Governmental Authority with jurisdiction over the applicable Purchased Assets prior to the Closing, (B) Purchaser's attempt to enforce any of its rights or interests against any Person other than Sellers or their Affiliates, and/or (C) the

provision of any information required for the defense and prosecution of claims and any other legitimate purpose of Purchaser; and (ii) financial and Tax records relating exclusively to the applicable Purchased Assets.

(c) Following the Closing until the Case Closing Date, Purchaser will afford Sellers, their counsel and accountants, during normal business hours and upon reasonable advance notice, reasonable access to review (i) the books, records and other data which are transferred to Purchaser pursuant to the terms of this Agreement and which relate to the applicable Purchased Assets prior to the Closing Date, the right to make copies and extracts therefrom, at Sellers' cost and expense, and access to former employees of Sellers but only to the extent that such access may be reasonably required by Sellers in connection with (A) Sellers' compliance with the requirements of any Governmental Authority with jurisdiction over such Purchased Assets, (B) Sellers' attempt to enforce any of their rights or interests against any Person other than Purchaser or their its Affiliates, and/or (C) estate administration, the winding down of Sellers in connection with the Bankruptcy Case, the provision of any information required for the defense and prosecution of claims and any other legitimate purpose of Sellers, and (ii) financial and Tax records relating exclusively to such Purchased Assets prior to the Closing Date. Any such review shall be conducted by Sellers, their counsel and/or accountants in such manner as to cause the least disruption to Purchaser's businesses as reasonably practicable, and Purchaser shall have the right to redact and not make available to Sellers any information contained in such books, records and other data that is related to the Purchased Assets or the conduct of the Business from and after the Closing Date.

(d) If, following the Closing, any customer of the Business inadvertently remits a payment to Purchaser or its Affiliates that was owed or payable to Sellers any or Affiliate of a Seller in respect of services provided by the Business prior to the Closing Date, Purchaser shall, or shall cause its Affiliate to, promptly remit such payment to Sellers. If, following the Closing, any customer of the Business inadvertently remits a payment to Sellers or their Affiliates that was owed or payable to Purchaser or its Affiliates in respect of services provided by the Business on or after the Closing Date, Sellers shall, or shall cause their Affiliates to, promptly remit such payment to Purchaser.

3.7 Cure Costs. At Closing and pursuant to Section 365 of the Bankruptcy Code, Sellers will assume the Transferred Agreements (to the extent not previously assumed) and assign the Transferred Agreements to Purchaser, and Purchaser will assume the Transferred Agreements. Except as otherwise set forth in this Section 3.7, all Cure Costs related to the Transferred Agreements will be paid by Purchaser at Closing as and when finally determined by the Bankruptcy Court pursuant to the procedures set forth in the Bid Procedures. Notwithstanding any obligation of Purchaser to pay a Cure Cost on the Closing Date, if a Cure Cost for a Transferred Agreement is disputed as of the Closing Date by a counterparty to such Transferred Agreement with standing in the Bankruptcy Case to dispute such Cure Cost (an "Objecting Party"), Purchaser shall not be required to pay the Cure Cost in respect of such Transferred Agreement at Closing, provided, that following the final determination (whether by the Bankruptcy Court or consent of Purchaser and the Objecting Party) of such Cure Cost, Purchaser shall promptly pay such Cure Cost to the Objecting Party.

3.8 Allocation. Within thirty (30) calendar days after the Closing Date, Sellers shall in good faith prepare an allocation of the Purchase Price (and all other capitalized costs) among the Purchased Assets in accordance with Section 1060 of the Code and the Treasury Regulations thereunder (and any similar provision of United States state or local or non-United States Law, as appropriate), which allocation shall be binding upon Sellers and Purchaser and their respective Affiliates. Purchaser and Sellers shall report, act and file all Tax Returns (including Internal Revenue Service Form 8594) in all respects and for all purposes consistent with such allocation. Neither Purchaser nor Sellers shall take any position (whether in audits, Tax Returns or otherwise) which is inconsistent with such allocation unless required to do so by applicable Law.

3.9 Disposition of Deposit. In the event that this Agreement is terminated by (1) Purchaser or Scout Media (or jointly by both Purchaser and Scout Media) pursuant to Sections 8.1(a), (b), (e), (f) or (g) hereof, or (2) by Purchaser pursuant to Sections 8.1(c) or (d) hereof, then, in each case, Purchaser and Scout Media shall promptly, and in any event no later than two (2) Business Days following the termination of this Agreement, direct and cause Sherwood to return the entire Deposit to Purchaser. In the event this Agreement is terminated by Scout Media pursuant to Sections 8.1(c) or (d) hereof, Purchaser and Scout Media shall promptly, and in any event no later than two (2) Business Days following the termination of this Agreement, direct and cause Sherwood to pay the Deposit to Scout Media.

ARTICLE 4

CONDITIONS PRECEDENT AND DELIVERIES

4.1 Conditions Precedent to obligations of Purchaser. The obligations of Purchaser under this Agreement are subject to satisfaction of the following conditions precedent on or before the Closing Date (and are waivable by Purchaser in its sole discretion):

(a) Representations and Warranties True on the Closing Date; Covenants.

(i) As of the date hereof and as of the Closing Date (in each case, except for any representation or warranty that is expressly made as of a specified date, in which case as of such specified date), (i) the representations and warranties contained in Sections 5.1, 5.2, and 5.3(a), (b), and (c) shall be true and correct in all respects (except for *de minimis* inaccuracies), and (ii) any other representation or warranty set forth in Article 5 shall be true and correct in all material respects but without regard to any qualification of materiality or Material Adverse Change included therein.

(ii) Sellers shall have performed and complied in all material respects with the obligations and covenants required by this Agreement to be performed or complied with by Sellers on or prior to the Closing Date, provided that if an obligation or covenant is already qualified by materiality or Material Adverse Change, then such obligation or covenant must be true in all material respects and shall not be subject to the materiality qualifier herein.

(b) Bankruptcy Proceedings.

(i) The Sale Order Condition shall be satisfied in full.

(ii) Notwithstanding anything in Section 4.1(b)(i) to the contrary, nothing in this Agreement shall preclude Purchaser or Sellers from consummating the transactions contemplated herein if the Parties waive the requirement that the Sale Order shall have become a Final Order. No notice of such waiver of this or any other condition to Closing need be given except to Sellers, any official committee appointed in the Bankruptcy Case, and the United States Trustee, it being the intention of the Parties that Purchaser shall be entitled to, and is not waiving, the protection of Section 363(m) of the Bankruptcy Code, the mootness doctrine and any similar statute or body of Law if the Closing occurs in the absence of Final Orders.

(c) Litigation. No court order or Governmental Order shall have been entered that restrains or prohibits the consummation of the transactions contemplated by this Agreement.

(d) Approvals. Subject to the receipt of the approval of the Bankruptcy Court pursuant to the Sale Order, all authorizations, consents, filings and approvals necessary to permit Sellers to perform the transactions contemplated hereby shall have been duly obtained, made or given, shall not be subject to the satisfaction of any condition that has not been satisfied or waived and shall be in full force and effect. All terminations or expirations of waiting periods (and any extension thereof) imposed by any Governmental Authority necessary for the transactions contemplated under this Agreement, if any, shall have occurred.

(e) Closing Deliverables.

(i) Sellers shall have delivered to Purchaser a certificate signed by the Chief Executive Officer, the Chief Strategy Officer or any Vice President of each Seller, dated as of the Closing Date, certifying that the condition specified in Section 4.1(a) has been satisfied as of the Closing.

(ii) Sellers shall have delivered to Purchaser (1) a duly executed General Assignment and Bill of Sale for the Purchased Assets in substantially the form attached hereto as Exhibit B (the "General Assignment"); (2) assignments of registered Intellectual Property included within the Purchased Assets in a form reasonably acceptable to the Parties, and (3) such other instruments of conveyance, assignment and transfer as shall be reasonably required to vest in Purchaser good and marketable title and interest in and to the Purchased Assets (the agreements and other instruments referred to in this Section 4.1(e)(ii) and Section 4.3 are collectively referred to herein as the "Collateral Agreements").

(iii) Each Seller shall have delivered to Purchaser all necessary forms and certificates complying with applicable Legal Requirements, duly executed and acknowledged by Sellers, certifying that the transactions contemplated hereby are exempt from withholding under Section 1445 of the Code.

(iv) Each Seller shall have delivered to Purchaser those documents referred to in Section 4.3 to which it is a party.

4.2 Conditions Precedent to obligations of Sellers. The obligations of Sellers under this Agreement are subject to satisfaction of the following conditions precedent on or before the Closing Date (and are waivable by Sellers in Sellers' sole discretion):

(a) Representations and Warranties True on the Closing Date; Covenants.

(i) As of the date hereof and as of the Closing Date (in each case, except for any representation or warranty that is expressly made as of a specified date, in which case as of such specified date), (i) the representations and warranties contained in Sections 6.1 and 6.2(a) shall be true and correct in all respects, and (ii) any other representation or warranty set forth in Article 6 shall be true and correct in all material respects but without regard to any qualification of materiality or Material Adverse Change included therein.

(ii) Purchaser shall have performed and complied in all material respects with the obligations and covenants required by this Agreement to be performed or complied with by Purchaser on or prior to the Closing Date, provided that if an obligation or covenant is already qualified by materiality or Material Adverse Change, then such obligation or covenant must be true in all material respects and shall not be subject to the materiality qualifier herein.

(b) Bankruptcy Court Approval. The Sale Order shall have been entered by the Bankruptcy Court.

(c) Litigation. No court order or Governmental Order shall have been entered that restrains or prohibits the consummation of the transactions contemplated by this Agreement.

(d) Closing Deliverables.

(i) Purchaser shall have delivered to Sellers a certificate signed by the Chief Executive Officer of Purchaser, dated the date of the Closing Date, certifying that the conditions specified in Section 4.2(a) have been satisfied as of the Closing.

(ii) Purchaser shall have delivered to Sellers those documents referred to in Section 4.3 to which it is a party.

4.3 Mutual Closing Deliverables. At the Closing, Purchaser and Sellers shall mutually execute and deliver to the other:

(a) one or more Assignment and Assumption Agreements with respect to the Transferred Agreements, in forms reasonably acceptable to the Parties (the "Assignment and Assumption Agreements"); and

(b) such other agreements, instruments and documents which shall be necessary or appropriate to effectuate and consummate the transactions contemplated hereby on and as of the Closing Date.

4.4 Tangible Assets. Purchaser and Sellers shall mutually agree upon the schedule for the delivery to Purchaser of the physical Books and Records and the Tangible Assets, and such delivery shall (a) be made at Purchaser's expense and (b) take place no later than 10 days after Closing.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF SELLERS

Purchaser hereby acknowledges and agrees that, except as otherwise expressly provided herein, Sellers make no representations or warranties whatsoever, express or implied, with respect to any matter relating to the Purchased Assets. Except as specifically disclosed in the disclosure schedule attached hereto (the “Disclosure Schedule”) (referencing the appropriate section and paragraph numbers), Sellers hereby represent and warrant to Purchaser, as follows:

5.1 Organization; Good Standing; Qualification.

(a) Scout Media is a corporation duly organized, validly existing, and in good standing under the Laws of the State of Delaware. Scout.com is a limited liability company duly organized, validly existing, and in good standing under the Laws of the State of Washington. Each Seller has all necessary corporate powers to own its properties and to carry on its business as now conducted and as currently contemplated to be conducted.

(b) Each Seller is duly qualified to transact business and is in good standing in all jurisdictions in which the nature of its business or of its properties makes such qualification necessary, except where the failure to be so qualified and in good standing would not reasonably be expected to result in a Material Adverse Change.

5.2 No Subsidiaries. Neither Seller has any Subsidiary and neither Seller owns any shares of capital stock or securities of any other Person, in each case, except for any Subsidiary or Person that does not own, directly or indirectly, all or any portion of the Business or the Purchased Assets.

5.3 Authority. Subject to the necessary authorization from the Bankruptcy Court:

(a) Each Seller has all requisite corporate power and authority to enter into this Agreement and the Collateral Agreements and to consummate the transactions contemplated hereby and thereby;

(b) the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of each Seller;

(c) this Agreement has been duly executed and delivered by each Seller and, assuming the due authorization, execution and delivery by Purchaser, constitutes a valid and binding obligation, enforceable against each Seller in accordance with its terms; and

(d) except as set forth in Section 5.3(d) of the Disclosure Schedule, the execution and delivery of this Agreement does not nor will not, and subject to the entry by the Bankruptcy Court of the Sale Order, the consummation of the transactions contemplated hereby will not, (i) result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation under, any Transferred Agreement, or (ii) result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of

any obligation under, any Governmental Order applicable to Sellers or their Affiliates or the Purchased Assets.

5.4 Consents. Subject to the necessary authorization from the Bankruptcy Court, no consent, waiver, approval, order, action or authorization of any other Person, or registration, declaration or filing with any Governmental Authority with jurisdiction over the Purchased Assets, is required by, or with respect to, a Seller in connection with the execution and delivery of this Agreement by such Seller, or the consummation by a Seller of the transactions contemplated hereby, except for consents, approvals, actions or filings with or notice to the Bankruptcy Court. Subject to the necessary authorization from the Bankruptcy Court, there is no Contract (not to compete or otherwise), commitment or Governmental Order to which a Seller is a party binding upon the Purchased Assets which prohibits the consummation of the transactions contemplated hereby or Purchaser's use and conduct of the Purchased Assets and the Business following the Closing Date as such Purchased Assets and Business are presently used and conducted, as applicable, by Sellers.

5.5 Title. Subject to the receipt of the approval of the Bankruptcy Court pursuant to the Sale Order, Sellers have good and marketable title to all of their right, title and interest in and to the Purchased Assets free and clear of any and all Liens, other than Liens that will be discharged by the Bankruptcy Court pursuant to the Sale Order. After giving effect to the consummation of the transactions contemplated by this Agreement, including the entry by the Bankruptcy Court of the Sale Order, Purchaser will have good and marketable title to the Purchased Assets free and clear of any and all Liens.

5.6 Intellectual Property Rights. Sellers own or have the right to use all Intellectual Property necessary for the operation of the Business as currently conducted. To the Knowledge of the Sellers, the operation of the Business as it is presently conducted by the Sellers does not infringe upon or misappropriate any Intellectual Property of any other Person. Sellers have taken commercially reasonable precautions to protect the secrecy and confidentiality of the trade secrets and other confidential information owned by Sellers.

5.7 Contracts.

(a) Section 5.7(a) of the Disclosure Schedule contains a true and complete listing of all Contracts to which a Seller is a party and are directly or indirectly related to the conduct of the Business (collectively, the "Seller Contracts"). The Schedule sets forth the title and date, and the identity of the parties thereto for each such Contract. True and correct copies of each such written Seller Contract (including all material written amendments, supplements and modifications, and all exhibits, schedules and attachments thereof) have been provided or made available to Purchaser prior to the date hereof.

(b) With respect to each Seller Contract, (i) such Contract is a legal, valid and binding obligation of a Seller and, to the Knowledge of Sellers, each other party thereto, enforceable against such Seller and each such other party in accordance with its terms, and (ii) neither Sellers, nor, to the Knowledge of Sellers, any other party thereto, is in material default or has failed to perform any material obligation thereunder or delivered written notice of such party's intent to terminate such Contract. Subject to the receipt of the approval of the

Bankruptcy Court pursuant to the Sale Order, no such Contract will require any other party's consent in connection with the consummation of the transactions contemplated hereby or if such Contract does require such consent, such consent has been granted. The consummation of the transactions contemplated herein will not result in the breach of any material provision of or termination or voiding of any such Contract.

5.8 Brokers or Finders. Except for the arrangement with Sherwood, neither Seller has dealt with any broker or finder in connection with the transactions contemplated by this Agreement.

5.9 Leases.

(a) Sellers do not own any real property that is used in the conduct of the Business.

(b) Section 5.9(b) of the Disclosure Schedule lists all leases, licenses, access agreements, subleases and other use agreements of real property to which a Seller is a party relating to or used in connection with the Purchased Assets or the Business (collectively, the "Transferred Real Property Leases"). Subject to the entry of the Sale Order and payment of any Cure Costs and the entry of appropriate orders of the Bankruptcy Court, each Transferred Real Property Lease is in full force and effect and is enforceable against the counterparty thereto. True and correct copies of the leases, licenses, access agreements, subleases and other use agreements of the Leased Real Property and any and all ancillary documents pertaining thereto, including but not limited to, all amendments, extensions, side agreements and confirmation letters, and to which a Seller is a party or is bound have been made available to Purchaser. Subject to the entry of the Sale Order and payment of any Cure Costs and the entry of appropriate orders of the Bankruptcy Court, each lease, license, access agreement, and other use agreements of furniture, fixtures, hardware, supplies, equipment and other personal property to which a Seller is a party relating to or used in connection with the Purchased Assets or the Business (collectively, the "Transferred Tangible Asset Leases"), is in full force and effect and is enforceable against the counterparty thereto. True and correct copies of the Transferred Tangible Asset Leases and any and all ancillary documents pertaining thereto have been made available to Purchaser.

5.10 Taxes. All Tax Returns required to be filed by a Seller, to the extent primarily related to the Business or the Purchased Assets, prior to the Closing Date have been timely filed and were correct and complete in all material respects and were prepared in substantial compliance with all applicable Laws. All Taxes required to be paid by a Seller with respect to the Business or the Purchased Assets (whether or not required to be shown on any Tax Return) have been timely paid or will be timely paid by Seller when or prior to the time required by Law. Seller has withheld or paid over to the proper Governmental Authority all Taxes related to the Business or the Purchased Assets that are required to be withheld or paid over with respect to any period or transaction ended prior to the Closing Date.

5.11 No Other Representations or Warranties; Disclaimer. Except for the representations and warranties made by Sellers in this Article 5 (as modified by the Disclosure Schedule), Sellers have not made or shall be deemed to make or have made any other express or

implied representation or warranty in this Agreement, and each Seller expressly disclaims any such other representations or warranties. Without limiting the generality of the foregoing, notwithstanding anything to the contrary in this Agreement, each Seller has not made or shall be deemed to make or have made any representation or warranty to Purchaser with respect to (a) any estimates, projections, forecasts, plans, budgets, or similar materials or information relating to the future operating and financial performance of the Business heretofore or hereafter delivered or made available to Purchaser or any of its agents or representatives, or (b) except as expressly covered by a representation and warranty contained in this Article 5, any other information or documents (financial or otherwise) delivered or made available to Purchaser or any of its agents or representatives with respect to a Seller or the Business. Without limiting the generality of the immediately foregoing, except for the representations and warranties specifically contained in Article V, Sellers hereby expressly disclaim and negate any representation or warranty, express or implied, at common law, by statute, or otherwise, relating to the condition of the assets of Sellers; it being the intention of the Parties that the Purchased Assets are to be accepted by Purchaser in their present condition and state of repair.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser hereby represents and warrants to Sellers, as of the date of this Agreement, as follows:

6.1 Organization, Good Standing and Qualification. Purchaser is a [●] duly organized, validly existing, and in good standing under the laws of [●]. Purchaser has all necessary [●] to own its properties and to carry on its business as now owned and operated. Purchaser is duly qualified to transact business and is in good standing in all jurisdictions in which the nature of its business or of its properties makes such qualification necessary, except where the failure to be so qualified would not reasonably be expected to have a material adverse effect on the ability of Purchaser to consummate the transactions contemplated by this Agreement.

6.2 Authority. Purchaser has all requisite [●] power and authority to enter into this Agreement and the Collateral Agreements and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Purchaser, and no further action is required on the part of Purchaser or its members to authorize the Agreement and the transactions contemplated hereby. This Agreement has been duly executed and delivered by Purchaser and, assuming the due authorization, execution and delivery by Sellers and Bankruptcy Court approval, constitutes a valid and binding obligation of Purchaser, enforceable against it in accordance with its terms, subject to the effect of applicable bankruptcy, insolvency, moratorium, reorganization or other similar Laws affecting the rights of creditors, general principles of equity or the effect or availability of rules of Law governing specific performance, injunctive relief or other equitable remedies. The execution and delivery of this Agreement does not nor will not, and the consummation of the transactions contemplated hereby will not, conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation under, (a) any provision of the governing documents of Purchaser, as applicable,

(b) any mortgage, lease, indenture, contract or other agreement or instrument, permit, concession, franchise or license to which Purchaser is a party, or (c) any Governmental Order applicable to Purchaser, except in the cases of clauses (b) and (c) above, where such conflict, violation, default or right of termination, cancellation or acceleration would not reasonably be expected to result in a material adverse effect on the ability of Purchaser to contemplate the transactions contemplated by this Agreement.

6.3 Consents. No consent, waiver, approval, order, action or authorization of any other Person, or registration, declaration or filing with any Governmental Authority, is required by, or with respect to, Purchaser, in connection with the execution and delivery of this Agreement by Purchaser, or the consummation by Purchaser of the transactions contemplated hereby.

6.4 Brokers or Finders. Purchaser has not dealt with any broker or finder in connection with the transactions contemplated by this Agreement. Purchaser has not incurred, and shall not incur, directly or indirectly, any Liability for any brokerage or finders' fees, agent's commissions or any similar charges in connection with this Agreement or any of the transactions contemplated hereby.

6.5 Litigation. There is no action, suit, claim or proceeding of any nature pending against Purchaser or any of its Affiliates which seek to enjoin or prevent the consummation of the transactions contemplated hereby or, if determined adversely to Purchaser, would reasonably be expected to impair the ability of Purchaser to consummate the transactions contemplated hereby.

6.6 Sufficiency of Funds. Purchaser has sufficient cash on hand or other sources of immediately available funds to enable it to make payment of the Purchase Price and consummate the Contemplated Transactions

6.7 Non-Reliance. Purchaser acknowledges and agrees that except as set forth in Section 5 hereof, (i) Sellers make no representations or warranty express or implied, at law or in equity, relating to the Purchased Assets, the Assumed Liabilities or the Business, including any representation or warranty as to the value, merchantability, fitness for a particular purpose or for ordinary purposes or any other matter, (ii) the Sellers make no, and have disclaimed any, other representation and warranty regarding the Purchased Assets, the Assumed Liabilities or the Business and (iii) the Purchased Assets and the Assumed Liabilities are conveyed on an "AS IS, WHERE IS" and "WITH ALL FAULT" basis as of the Closing and the Purchaser shall rely upon its own examination thereof. In furtherance of the foregoing, Purchaser acknowledges and agrees that (x) no representation or warranty is being made by any Seller with respect to the future operating or financial performance of the Business, and (y) there are uncertainties inherent in attempting to make estimates, projections, forecasts, plans, budgets and similar materials and information, that Purchaser is familiar with such uncertainties, that Purchaser is taking full responsibility for making its own evaluation of the adequacy and accuracy of any and all estimates, projections, forecasts, plans, budgets and similar materials or information that may have been developed by it, delivered or made available to it or any of its agents or representatives.

ARTICLE 7
COVENANTS AND AGREEMENTS

7.1 Notice of Transaction as Required by Bankruptcy Court; Sellers Not Party to Other Agreement.

(a) The Parties acknowledge that under the Bankruptcy Code the sale of Purchased Assets is subject to approval of the Bankruptcy Court. The Parties acknowledge that to obtain such approval each Seller must demonstrate that it has taken reasonable steps to obtain the highest or best price possible for the Purchased Assets, including giving notice of the transactions contemplated by this Agreement to creditors and other interested parties as ordered by the Bankruptcy Court, providing information about the Purchased Assets to responsible bidders, entertaining higher or better offers from responsible bidders.

(b) Sellers represent that neither Seller is a party to or bound by any agreement with respect to a possible merger, sale, restructuring, refinancing or other disposition of all or any material part of the Business or the Purchased Assets (other than any agreement relating to the Back-up Bid).

(c) Sellers covenant to provide timely, proper and sufficient notice of the transactions contemplated by this Agreement to (i) the Office of the United States Trustee, any official committee of unsecured creditors in the Bankruptcy Case, and any other party requesting notice in the Bankruptcy Case, (ii) all creditors in the Bankruptcy Case (with such notice to be in a form reasonably acceptable to Purchaser), (iii) all holders of Liens in or parties with an interest in any of the Purchased Assets, (iv) all parties to or with any interest in the Transferred Agreements or the assets or business relating thereto, (v) any and all parties required by the Bankruptcy Code, the Bankruptcy Rules, the Local Rules of Practice and Procedure of the Bankruptcy Court or the Bankruptcy Court and (vi) any and all other parties reasonably requested by Purchaser.

7.2 Interim Covenants.

(a) Except with the prior written consent of Purchaser, as otherwise contemplated or permitted by this Agreement or as required by the Bankruptcy Code or other applicable Law, from the date hereto through the Closing, each Seller shall operate the Business in the ordinary course as a chapter 11 debtor in financial and other circumstances similar to how each Seller would operate and consistent with past practice and in compliance in all material respects with all Laws applicable to the operation of its business. Without limiting the foregoing, from the date hereof through the Closing Date, or as otherwise required by applicable Law, each Seller shall:

(i) maintain the Purchased Assets in a manner consistent with past practices, reasonable wear and tear excepted and maintain the types and levels of insurance currently in effect in respect of the Purchased Assets;

(ii) preserve intact the Business, to keep available the services of its current employees and agents and to maintain its relations and goodwill with its suppliers, customers, distributors and any others with whom or with which it has business relations;

(iii) upon any damage, destruction or loss to any Purchased Asset, apply any insurance proceeds received with respect thereto to the prompt repair, replacement and restoration thereof to the condition of such Purchased Asset before such event or, if required, to such other (better) condition as may be required by applicable Law; and

(iv) promptly advise Purchaser in writing of the occurrence of any event that has had, or would reasonably be expected to have, a Material Adverse Change.

(b) Except as otherwise contemplated or permitted by this Agreement or by applicable Law, during the period prior to and up to Closing, Sellers shall not take any action outside of the ordinary course of business of Sellers without the prior written consent of Purchaser, including without limitation the following:

(i) enter into, terminate or amend or reject any of the Transferred Agreements, or cancel, modify or waive any material claims held in respect of the Purchased Assets or waive any material rights of value;

(ii) sell, transfer or otherwise dispose of an interest in any of the Purchased Assets;

(iii) dispose of or fail to keep in effect any material rights in, to, or for the use of any of the Intellectual Property used in the Business, except for rights which expire or terminate in accordance with their terms;

(iv) subject any Purchased Assets to any Liens; or

(v) authorize any of the foregoing, or commit or agree to take actions, whether in writing or otherwise, to do any of the foregoing.

7.3 Public Announcements. Except as may be required by the Bankruptcy Court, the Bankruptcy Code, the federal securities laws or any other applicable Law, prior to the Closing, neither of Purchaser nor Sellers will issue any press release or make any other public announcement relating to the transactions contemplated by this Agreement without the prior consent of the other Parties. Except as may be required by the Bankruptcy Court, the Bankruptcy Code, the federal securities laws or any other applicable Law, following the Closing, (i) Sellers shall not issue any public announcement regarding the transactions contemplated hereby without Purchaser's prior consent, and (ii) Purchaser shall have the right to make a public announcement regarding the transactions contemplated hereby. Any party wishing to issue any such press release or make any such other public announcement that references any of the other Parties other than to state that the acquisition has occurred or other information contained in a Final Order, will afford such other Parties a reasonable opportunity to review and comment on such press release or public announcement relating to the transactions contemplated by this Agreement.

7.4 Post-Closing Tax Covenants.

(a) To the extent relevant to the Business or the Purchased Assets, each Party shall (i) provide the other Parties with such assistance as may reasonably be required in

connection with the preparation of any Tax Return and the conduct of any audit or other examination by any Governmental Authority or in connection with judicial or administrative proceedings relating to any Liability for Taxes arising out of or related to the Business or the Purchased Assets, (ii) retain until the expiration of the applicable statute of limitations (and any extensions thereof) and provide the other Parties with reasonable access to all records or other information that may be relevant to the preparation of any Tax Returns, or the conduct of any audit, examination or other proceeding by a Governmental Authority relating to Taxes arising out of or related to the Business or the Purchased Assets, and (iii) give the other Parties reasonable written notice prior to transferring, destroying or discarding any such records or other information, and if any other Party so requests, allow such Party to take possession of such records or other information at such Party's expense.

(b) Property Taxes with respect to the Purchased Assets (to the extent they constitute Tangible Assets) for a taxable period beginning on or before and ending after the Closing Date shall be prorated based on the number of days in such period that occur before the Closing Date, on the one hand, and the number of days in such period that occur after the Closing Date, on the other hand, the amount of such property Taxes allocable to the portion of the period ending on the Closing Date being the responsibility of Sellers and the remainder being the responsibility of Purchaser. No later than five (5) days after receipt by Sellers of a written statement from Purchaser so apportioning any such property Taxes, Sellers shall pay to Purchaser the portion of such property Taxes that are the responsibility of Sellers.

(c) Purchaser and Sellers agree to use the "Standard Procedure" provided in Section 4 of Revenue Procedure 2004-53 for employment Taxes with respect to any employees of Sellers employed in the Business that become employees of Purchaser after the Closing.

(d) In the event of any audit or other proceeding with respect to the Taxes of Sellers arising out of or related to the Business or the Purchased Assets, Sellers may not compromise, settle or otherwise resolve any such audit or other proceeding in a manner that could have an adverse effect on Purchaser or any of its Affiliates, including by reference to Purchaser's future business operations and use of the Purchased Assets, without the prior written consent of Purchaser, such consent not to be unreasonably withheld, conditioned or delayed. Sellers may not file any amended Tax Return or refund claim with respect to the Business or the Purchased Assets that could have an adverse effect on Purchaser or any of its Affiliates, including by reference to Purchaser's future business operations and use of the Purchased Assets, without the prior written consent of Purchaser, such consent not to be unreasonably withheld, conditioned or delayed.

7.5 Confidentiality. Subject to Section 7.3 above, each Party will not use, and maintain strict confidentiality with respect to, all of the other Parties' Confidential Information (as hereinafter defined) furnished by or on behalf of such other Parties except to the extent required by Law or Governmental Order, provided, that following the Closing Date, all Confidential Information relating to the Purchased Assets and the Business shall be deemed to be Confidential Information of Purchaser. "Confidential Information" shall mean any and all non-public, confidential or proprietary information that, with respect to Purchaser, is related to the Purchased Assets or the operations of Purchaser and its respective Affiliates, and with respect to Sellers, is related to the operations of Sellers and their Affiliates, and that the disclosing party or

its representatives have made available to the receiving party or its representatives, other than information that (i) is, at the time of disclosure to the receiving party, already in the receiving party's possession; (ii) is or becomes generally available to the public other than as a result of a breach of this Agreement by the receiving party or its representatives; (iii) becomes available to the receiving party on a non-confidential basis from a source other than the disclosing party or their representatives, provided that such source is not bound by a confidentiality agreement or other legal or fiduciary obligation of secrecy to the disclosing party; or (iv) is independently developed by the receiving party.

7.6 Domain Names. Sellers shall take such actions as are reasonably necessary pursuant to the procedures of the applicable registrar(s) to transfer the Domain Names to Purchaser (e.g., forwarding "authorization codes").

7.7 Brokers. Sellers shall be responsible for all amounts due to Sherwood.

7.8 Employee Matters. Notwithstanding any non-solicitation provision contained in the Non-Disclosure Agreement dated as of [●], 2016 entered into by and between Purchaser, Scout Media and Scout Media Holdings, Inc., Purchaser and its Affiliates shall have the right, but not the obligation, to offer employment to any or all of the employees or Sellers and their Affiliates. Purchaser may offer employment to such employees on such terms and conditions as may be acceptable to Purchaser in its sole discretion and need not bear any relationship to terms and provisions applicable to their employment by Sellers or their Affiliates. Each employee to whom Purchaser or one of its Affiliates has made an offer of employment or offer of another type of services relationship and who has accepted such offer and commences employment or other services relationship with Purchaser or its Affiliates on or following the Closing Date is hereinafter referred to as a "Transferred Employee." Seller shall deliver to Purchaser on the Closing Date all personnel files and employment records relating to the Transferred Employees (including completed I-9 forms and attachments with respect to all Transferred Employees, except for such Employees as Sellers certify in writing are exempt from such requirement). Purchaser acknowledges that Sellers or their Affiliates may, in their sole discretion, issue notices required under the WARN Act. Purchaser agrees and acknowledges that any such notices and that the matters or consequences arising from the issuance or failure to issue such notices shall not constitute a Material Adverse Change.

7.9 Assumption Effective Date. The Parties agree that all Transferred Contracts that are assigned to, and assumed by, Purchaser will be deemed to have been assigned to, and assumed by, Purchaser on the date that is the later of (i) the Closing Date or (ii) (a) the date following the expiration of the deadline for objection to assumption and assignment of the Contract or to a proposed cure amount, if no such objection is submitted or (b) the third business day following the date of resolution of any such objection.

ARTICLE 8

TERMINATION; TERMINATION PAYMENT

8.1 Termination. This Agreement may be terminated prior to the Closing as follows:

- (a) by written agreement of each of Purchaser and Scout Media;

(b) by either of Purchaser or Scout Media if any Governmental Authority shall have issued a Governmental Order or taken any other action, in each case permanently restraining, enjoining or otherwise prohibiting the consummation of any of the transactions contemplated hereby;

(c) by either of Purchaser or Scout Media (*provided* that the terminating party is not then in material breach of any representation, warranty, covenant or other agreement contained herein), if there shall have been a material breach or misrepresentation of any of the representations or warranties or a material breach of or failure to perform in any material respect any of the covenants or obligations set forth in this Agreement on the part of Sellers, on the one hand, or Purchaser, on the other hand, which breach, misrepresentation or failure would give rise to the failure of the conditions set forth in Section 4.1(a) or Section 4.2(a), as the case may be, and such breach, misrepresentation or failure cannot be cured prior to the Termination Date, unless such breach, misrepresentation or failure, by its nature, cannot be cured prior to the Closing;

(d) by either of Purchaser or Scout Media (*provided* that the terminating party is not then in material breach of any representation, warranty, covenant or other agreement contained herein) if satisfaction of a material condition set forth in Section 4.1 or Section 4.2, as the case may be, for the benefit of the terminating party cannot be fulfilled or satisfied prior to the Termination Date and has not been waived by the terminating party, provided that the terminating party shall not be responsible for the failure of such condition to be satisfied;

(e) by Purchaser if Sellers (i) consummate an Alternative Transaction (other than with Purchaser), (ii) file a motion seeking Bankruptcy Court Approval of a chapter 11 plan contemplating the sale or retention of the Purchased Assets in a manner substantially inconsistent with the terms of this Agreement or (iii) execute and deliver an agreement or understanding of any kind with respect to an Alternative Transaction with any party other than Purchaser (other than an agreement pertaining to the Back-up Bid);

(f) by either of Purchaser or Scout Media if the Bankruptcy Court enters an order approving any Alternative Transaction; or

(g) by Purchaser or Scout Media on any day on or after the date that is 14 days after the Bankruptcy Court's entry of the Sale Order (the "Termination Date") if the Closing shall not have been consummated by such date (or by such later date as may be mutually agreed to by Purchaser and Sellers in writing), unless the Closing has not occurred due to a material failure of the terminating party to perform or observe any of its covenants or obligations as set forth in this Agreement required to be performed or observed by it on or before the Closing Date.

8.2 Effect of Termination or Breach.

(a) Except as otherwise provided herein, in the event of termination of this Agreement, this Agreement (other than the terms and provisions set forth in this Section 8.2 and Article 10 hereof, which shall survive such termination) shall become null and void and be deemed of no force and effect, with no liability on the part of any party hereto (or of any of its

directors, officers, employees, consultants, contractors, agents, legal and financial advisors or other representatives), and no party hereto shall have any obligations to any other party hereto arising out of this Agreement; provided, however, that no termination of this Agreement shall relieve or release any party from any Liabilities or damages resulting from any willful breach of this Agreement.

(b) Notwithstanding Section 8.2(a) hereof, from and after the entry of the Bidding Procedures Order, if this Agreement is terminated by a Party pursuant to Sections 8.1(e) or (f) then Sellers shall be liable to Purchaser for the Termination Fee and shall pay such amount to Purchaser not later than two (2) Business Days following the approval of such Termination Fee by the Bankruptcy Court. The Termination Fee shall be treated as an administrative expense of Sellers' bankruptcy estate under sections 503(b) or 507(b) of the Bankruptcy Code with priority over all other administrative expenses in the Bankruptcy Case, including any administrative expense claims that may have priority over certain other administrative expenses. The Termination Fee shall be in consideration of the substantial commitment of time and resources by Purchaser, including but not limited to, the preparation, negotiation, execution, and performance of this Agreement.

ARTICLE 9 **GENERAL**

9.1 No Third Party Beneficiaries. Nothing contained in this Agreement shall be construed to confer upon or give to any Person other than the parties hereto and their successors and permitted assigns any rights or remedies under or by reason of this Agreement.

9.2 Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given on the date of service if served personally or by commercial messenger or courier service on the party to whom notice is to be given; on the date of transmission (with hard copy confirmation to follow) if sent by electronic mail or facsimile; or on the third day after mailing if mailed to the party to whom notice is to be given, by first-class mail registered or certified, postage prepaid, and properly addressed as follows:

If Purchaser, to:

[Address]
[Address]
Attn: [Name]
Telephone: [●]
E-mail: [●]

with a copies to:

[Address]
[Address]
Attn: [Name]
Telephone: [●]

E-mail: [●]

If to Sellers, to:

Scout Media, Inc.
122 West 26th Street, Fifth Floor
New York, NY 10036
Attn: [Name]
Telephone: [●]
E-mail: [●]

with copies to:

Womble Carlyle Sandridge & Rice, LLP
8065 Leesburg Pike, 4th Floor
Tysons Corner, VA 22182-2738
Attn: Jeffrey A. D. Cohen, Esq.
Rajan Singh, Esq.
Telecopy: (703) 918-2260
Telephone: (703) 394-2238
Attn: Matthew Ward, Esq.
Telecopy: (302) 661-7711
Telephone: (302) 252-4338

A party may change the address to which notices hereunder are to be sent to it by giving notice to the other parties to this Agreement of such change of address in the manner provided above.

9.3 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective successors, permitted assigns, heirs, executors and personal representatives (including any liquidating trustee, responsible Person or similar representative for Sellers or Sellers' estate appointed in connection with the Bankruptcy Case).

9.4 Entire Agreement; Modification; Waiver. This Agreement and the schedules and exhibits attached to this Agreement (which are hereby incorporated herein by this reference), set forth the entire agreement of the parties hereto with respect to the subject matter hereof and supersede all prior and contemporaneous written and oral negotiations, discussions, understandings and agreements pertaining to such subject matter. No supplement, modification or amendment to this Agreement shall be binding unless executed in writing by all of the Parties. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, any waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

9.5 Dispute Resolution; Bankruptcy Court Jurisdiction.

(a) The Parties agree that the Bankruptcy Court shall retain jurisdiction to resolve any controversy or claim arising out of or relating to this Agreement, or the breach hereof.

(b) In the event the Bankruptcy Court reserves jurisdiction to consider disputes arising under this Agreement post-confirmation, then all such disputes shall be brought before the Bankruptcy Court. The Parties shall jointly request that the Bankruptcy Court reserve such jurisdiction.

(c) In the event the Bankruptcy Court does not reserve such jurisdiction, then, subject to the right of each party to seek specific performance, injunctive relief and/or other non-monetary relief in any court, any controversy, dispute or claim arising between Sellers and Purchaser with respect to this Agreement or the subject matter covered hereby may be submitted to any of the state or federal courts located in the State of Delaware. The Parties hereby consent and submit to the jurisdiction of the state and federal courts of the State of Delaware for any such controversy, dispute or claim.

9.6 Expenses. Except as set forth in Section 8.2(b) of this Agreement, whether or not the transactions contemplated hereby are consummated, each of the Parties shall pay all costs and expenses incurred or to be incurred by it in negotiating and preparing this Agreement and all Collateral Agreements and in closing and carrying out the transactions contemplated by this Agreement and such Collateral Agreements.

9.7 Construction. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without giving effect to the conflict of laws principles thereof.

9.8 Assignment. No Party may assign this Agreement or any of its rights, interests or obligations hereunder without the prior written consent of the other Party.

9.9 Specific Performance. The Parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity.

9.10 Survival of Representations and Warranties. The Parties hereto agree that the representations and warranties of the Parties in this Agreement shall terminate and expire on the earlier to occur of (i) the one year anniversary of the Closing Date and (ii) the Case Closing Date. The covenants contained in this Agreement to be performed prior to the Closing shall expire at the Closing. The covenants contained in this Agreement to be performed at or after the Closing shall survive in accordance with the terms of the particular covenant, until fully performed or, if earlier, upon the Case Closing Date.

9.11 Non-Recourse. Except as expressly contemplated by this Agreement, no past, present or future director, officer, employee, advisor, lawyer, agent, representative, incorporator, member, partner or equityholder of a Seller shall have any liability for (i) any obligations or

liabilities of a Seller under this Agreement or the certificate of incorporation and by-laws or comparable organizational documents of a Seller, or (ii) any claim based on, in respect of, or by reason of, the transactions contemplated hereby and thereby.

9.12 Disclosure Schedules.

(a) The Disclosure Schedules that correspond to Sections 5 and 6 of this Agreement are a material part of this Agreement as if fully set forth in this Agreement and are intended only to qualify and limit the representations, warranties and covenants of the Parties contained in Sections 5 and 6, and will not be deemed to expand in any way the scope or effect of any of such representations, warranties or covenants. The Parties hereby acknowledge and agree that: (i) certain agreements and other matters may be listed in the Disclosure Schedules for informational purposes only, as they do not rise above applicable materiality thresholds, they are not outside of the ordinary course of business or their disclosure is not otherwise required under the terms of this Agreement (items that are not required to be disclosed but are disclosed, the “Informational Disclosures”); (ii) in no event will the Informational Disclosures be deemed or interpreted to broaden or otherwise amplify or influence the construction or interpretation of any of the representations and warranties; (iii) disclosures made for the purpose of any Section of the Disclosure Schedules will be deemed made for the purpose of all Sections of the Disclosure Schedules so long as cross-references are made or the applicability to the other section(s) is reasonably apparent on the face of such disclosure; (iv) headings in the Disclosure Schedules have been inserted for reference only and will not be deemed to modify or influence the interpretation of the information contained in the Disclosure Schedules or this Agreement; (v) no reference to or disclosure of any item or other matter in the Disclosure Schedules will be construed as an admission or indication that such item or other matter is material or outside of the ordinary course of business or that such item or other matter is required to be referred to or disclosed in the Disclosure Schedules or otherwise imply that any such item or matter creates a measure for materiality for the purposes of this Agreement; (vi) no disclosure in the Disclosure Schedules relating to any possible breach or violation of any agreement or Law shall be construed as an admission or indication that any such breach or violations exists or has actually occurred; (vii) the inclusion of any matter, information or item in the Disclosure Schedules will not be deemed to constitute an admission of any liability by any Person to any third party; and (viii) summaries of or references to any written document in the Disclosure Schedules do not purport to be complete and are qualified in their entirety by the written documents themselves.

(b) From the date of this Agreement until the Closing Date, Sellers shall as promptly as reasonably practicable deliver and revise any new schedules or supplement or amend the Disclosure Schedules with respect to any matter that, if existing, occurring or known at the date of this Agreement, would have been required to be set forth or described in the Disclosure Schedules. Any such supplement or amendment shall be deemed to modify the Disclosure Schedules for purposes of this Agreement except to the extent the matters set forth in such supplement or amendment are material to the Purchased Assets or the Business.

9.13 Relationship. The relationship of the parties to this Agreement is determined solely by the provisions of this Agreement. This Agreement does not create any agency, partnership, joint venture or trust.

9.14 Counterparts. This Agreement may be executed in counterparts (and by facsimile signatures), each of which shall be deemed an original but all of which shall constitute one and the same agreement.

9.15 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

9.16 Severability. If any provision of the Agreement is held to be invalid or unenforceable at Law, that provision will be reformed as a valid provision to reflect as closely as possible the original provision giving maximum effect to the intent of the parties, or if that cannot be done, will be severed from the Agreement without affecting the validity or enforceability of the remaining provisions.

9.17 Interpretation. The words “include,” “includes” and “including,” when used herein, shall be deemed in each case to be followed by the words “without limitation.”

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Asset Purchase Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

SCOUT MEDIA, INC.

By: _____
Name:
Title: Chief Executive Officer

SCOUT.COM, LLC

By: _____
Name:
Title: Chief Executive Officer

[PURCHASER]

By: _____
Name:
Title:

[Signature Page to Asset Purchase Agreement]