

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	Chapter 11
)	
Signature Styles, LLC, ¹)	Case No. 11-11733 (KG)
a Delaware limited liability company,)	
)	Jointly Administered
Debtors.)	
)	RE: Docket No. 12

**ORDER PURSUANT TO 11 U.S.C. §§ 363 AND 365, RULES 2002,
6004, 6006, 9007 AND 9014 OF THE FEDERAL RULES OF BANKRUPTCY
PROCEDURE AND LOCAL RULE 6004-1 AUTHORIZING (I) THE SALE OF
SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS FREE AND CLEAR
OF LIENS, CLAIMS AND ENCUMBRANCES AND (II) THE ASSUMPTION
AND ASSIGNMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

This matter coming before the Court on the Motion of the Debtors for Entry of an Order, Pursuant to 11 U.S.C. §§ 363 and 365, Rules 2002, 6004, 9007 and 9014 of the Federal Rules of Bankruptcy Procedure and Local Rule 6004-1, Authorizing (I) the Sale of Substantially All of the Debtors' Assets Free and Clear of Liens, Claims and Encumbrances and (II) the Assumption and Assignment of Executory Contracts and Unexpired Leases (the "**Sale Motion**")² filed by the above-captioned debtors and debtors in possession (together, the "**Debtors**") seeking authority to sell substantially all of the Debtors' assets pursuant to the asset purchase agreement attached to the Sale Motion, as has been subsequently amended and restated in the form attached hereto as Exhibit A (as amended, the "**Stalking Horse Agreement**")³ the Court having reviewed

¹ The Debtors in these chapter 11 cases, and the last four digits of their respective tax identification numbers, are: Signature Styles, LLC (4502) and Signature Style Gift Cards, LLC (8699). The location of the Debtors' corporate headquarters is: 711 Third Avenue, 4th Floor, New York, New York 10017.

² Capitalized terms used herein but not otherwise defined, shall have the meanings ascribed to them in the Sale Motion.

³ A blackline of the amended and restated asset purchase agreement against the original version of the asset purchase agreement filed with the Sale Motion is attached hereto as Exhibit B.

the Sale Motion, the Bidding Procedures Motion, the Angart Declaration and the Declaration of Charles V. Aquino in Support of the Sale Motion [Docket No. 294] (the “**Aquino Declaration**”); and this Court having entered an order dated July 13, 2011 [Docket No. 187] (the “**Bidding Procedures Order**” and, attached as Annex 1 thereto, the “**Bidding Procedures**”) authorizing the Debtors to conduct, and approving the terms and conditions of, the Auction to consider offers for the Debtors’ assets; and the Court having reviewed the Sale Motion and all other papers filed with the Court relating thereto and having considered the statements of counsel with respect to the Sale Motion at the Sale Hearing; and the Court having found that (i) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (ii) this is a core proceeding pursuant to 28 U.S.C. § 157(b), (iii) notice of the relief sought in the Sale Motion and at the Sale Hearing was sufficient under the circumstances, and no further notice need be given, (iv) a sound business purpose exists to grant the relief contained herein, and (v) there is good cause to waive the 14-day stay imposed by Rules 6004(h) and 6006(d) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”); the official committee of unsecured creditors (the “**Committee**”) having consented to a sale of the Debtors’ assets pursuant to the Corrected Consent Order Resolving Motion of the Official Committee of Unsecured Creditors for an Order Extending the Challenge and Sale Deadlines [Docket No. 273] and the agreement attached thereto as Exhibit A; and the Court having determined that the legal and factual bases set forth in the Sale Motion, the other papers filed by the Debtors, the Angart Declaration, the Aquino Declaration and at the Sale Hearing establish just cause to grant the relief ordered herein;

IT IS HEREBY FOUND AND DETERMINED THAT:

A. This Court has jurisdiction and authority to hear and determine the Sale Motion pursuant to 28 U.S.C. §§ 1334 and 157(b)(2)(A) and (N). Venue of these cases in this District is proper under 28 U.S.C. § 1409. The statutory predicates for the relief sought herein

are sections 105, 363, and 365 of the Bankruptcy Code, and Bankruptcy Rules 2002, 6004, 6006 and 9014.

B. This Sale Order constitutes a final and appealable order within the meaning of 28 U.S.C. § 158(a). To any extent necessary under Bankruptcy Rule 9014 and Rule 54(b) of the Federal Rules of Civil Procedure as made applicable by Bankruptcy Rule 7054, the Court expressly finds that there is no just reason for delay in the implementation of this Sale Order, and expressly directs entry of judgment as set forth herein.

C. As evidenced by the affidavits of service filed with the Court, proper, timely, adequate and sufficient notice of the Sale Motion and the Sale Hearing has been provided in accordance with Bankruptcy Rules 2002, 6004, 9006, 9007, 9008 and 9014 and in compliance with the Bidding Procedures Order. Notice of the Sale Hearing was also published in the national edition of *The Wall Street Journal*. The Debtors provided due and proper notice of the sale, and assumption and assignment of each contract and lease (and related Cure Amounts (as defined below), if any) listed in the Assumption and Assignment Notice filed with this Court on August 5, 2011 [Docket No. 240] (the “**Assumption and Assignment Notice**”) to each non-debtor party to such contract or lease. Such notice was sufficient and appropriate under the circumstances. Except as provided in paragraph D. below, no other or further notice of the Sale Motion, the Sale Hearing, the assumption and assignment of the Assumed Contracts (as defined herein) or the Assumed Leases (as defined herein) or the entry of this Sale Order is necessary or shall be required.

D. The counterparties to the Debtors’ contracts with BMC Software and Christian Siriano (collectively, the “**Additional Contracts**”), which were not listed on the Assumption and Assignment Notice, shall be provided notice of the assumption and/or assignment of the Additional Contracts and shall be afforded an opportunity to object to that

assumption and/or assignment pursuant to the procedures set forth in paragraphs 22 through 26 of this Sale Order.

E. Certain contracts (collectively, the “**Unreviewed Contracts**”) listed on the Assumption and Assignment Notice have not been included on Schedule 2.1(a) of the Stalking Horse Agreement at this time because the Debtors are attempting to locate copies of the Unreviewed Contracts for the Buyer (as defined below). Once the Buyer has had an opportunity to review the Unreviewed Contracts, they may file an amended Schedule 2.1(a) of the Stalking Horse Agreement by September 16, 2011 pursuant to the procedures outlined in paragraphs 27 through 29 below to include some, or all, of the Unreviewed Contracts. The Unreviewed Contracts that may be added to Schedule 2.1(a) of the Stalking Horse Agreement will only include Unreviewed Contracts where the non-Debtor party to such Unreviewed Contract did not file an objection to the Assumption and Assignment Notice.

F. A reasonable opportunity to object or be heard regarding the requested relief has been afforded to all interested persons and entities as outlined in the Bidding Procedures Motion and the Bidding Procedures Order.

G. The Debtors have demonstrated a sufficient basis and the existence of compelling circumstances requiring them to enter into the Stalking Horse Agreement, sell the Purchased Assets on the terms outlined therein and assume and assign the Assumed Contracts and Assumed Leases under sections 363 and 365 of the Bankruptcy Code, and such actions are appropriate exercises of the Debtors’ business judgment and in the best interests of the Debtors, their creditors, and their estates.

H. The Debtors and their professionals have complied, in good faith, in all respects with the Bidding Procedures Order. As demonstrated by the evidence adduced at the Sale Hearing, the Debtors (i) afforded interested potential purchasers a full, fair and reasonable

opportunity to qualify as bidders and submit their highest or otherwise best offers to acquire the Purchased Assets, (ii) provided potential purchasers, upon request, sufficient information to enable them to make an informed judgment on whether to bid on the Purchased Assets, and (iii) considered any bids submitted on or before the deadline established by the Court for the submission of bids. Additionally, the Debtors have, under the circumstances, adequately and appropriately marketed the Purchased Assets through, inter alia, the dissemination of information regarding the Purchased Assets to interested purchasers.

I. Under the facts and circumstances of this case, the offer of Artemiss, LLC (the “**Buyer**”), upon the terms and conditions set forth in the Stalking Horse Agreement, including the form and the total consideration to be realized by the Debtors pursuant to the Stalking Horse Agreement, (i) is the highest and best offer received by the Debtors, (ii) is fair and reasonable, (iii) is in the best interest of the Debtors, their creditors and their estates, (iv) constitutes full and adequate consideration and reasonably equivalent value for the Purchased Assets, and (v) constitutes reasonably equivalent value under the Bankruptcy Code and the Uniform Fraudulent Transfer Act and fair consideration under the Uniform Fraudulent Conveyance Act.

J. The Debtors’ determination that the Stalking Horse Agreement constitutes the highest and best offer for the Purchased Assets constitutes a valid and sound exercise of the Debtors’ business judgment.

K. The Debtors have demonstrated compelling circumstances and a sufficient and sound business purpose and justification for the Sale prior to, and outside of, a plan of reorganization.

L. The Buyer is a buyer in good faith, as that term is used in the Bankruptcy Code, and is entitled to the protections of sections 363(m) and 363(n) with respect to the

Purchased Assets. The Stalking Horse Agreement was negotiated and entered into in good faith, based upon arm's length negotiations and without collusion or fraud of any kind.

M. The Debtors have full power and authority to execute the Stalking Horse Agreement and all other documents contemplated thereby, and the sale of the Purchased Assets by the Debtors has been duly and validly authorized by all necessary action of the Debtors. No consents or approvals other than those provided for in the Stalking Horse Agreement are required for the Debtors to consummate the transactions described in the Stalking Horse Agreement.

N. The terms of the Stalking Horse Agreement are fair and reasonable and the transactions contemplated therein are in the best interests of the Debtors' estates.

O. The Buyer would not have entered into the Stalking Horse Agreement and would not consummate the transactions contemplated thereby, thus adversely affecting the Debtors, their estates, and their creditors, if either (i) the Sale and the assignment of the Assumed Contracts and the Assumed Leases to the Buyer were not free and clear of all interests, liens, claims and encumbrances of any kind or nature whatsoever, except those expressly assumed by the Buyer in the Stalking Horse Agreement, or (ii) the Buyer would, or in the future could, be liable for any of such interests, liens, claims and encumbrances, including, but not limited to, any claims against the Debtors based upon successor or vicarious liability or otherwise.

P. The Debtors may sell the Purchased Assets free and clear of all interests, liens, claims and encumbrances of any kind or nature whatsoever, except as otherwise provided in the Stalking Horse Agreement, because, in each case, one or more of the standards set forth in 11 U.S.C. § 363(f)(1)-(5) has been satisfied. Those non-debtor parties with interests in the Purchased Assets who did not object, or who withdrew their objections, to the Sale or the Sale Motion are deemed to have consented to the Sale pursuant to 11 U.S.C. §§ 363(f)(2) and 365. Those non-debtor parties with interests in the Purchased Assets who did object fall within one or

more of the other subsections of 11 U.S.C. §§ 363(f) and 365. Accordingly, all persons having liens, claims, encumbrances or interests of any kind or nature whatsoever against or in any of the Purchased Assets, other than the Assumed Liabilities, shall be forever barred, estopped and permanently enjoined from pursuing or asserting such liens, claims, encumbrances or interests against the Purchased Assets, the Buyer or any of its assets, property, successors or assigns.

Q. To the greatest extent allowed by applicable law, the transfers contemplated by the Stalking Horse Agreement do not and shall not subject the Buyer to any liability for claims against the Debtors by reason of such transfers under the laws of the United States, any state, territory or possession thereof, including claims relating to the operation of the Debtors' businesses before the Closing Date, except as specifically provided in the Stalking Horse Agreement.

R. Subject to paragraphs 22 through 26 of this Sale Order, the Debtors may assume each contract and lease listed on Schedule 2.1(a) of the Stalking Horse Agreement, as such Schedule 2.1(a) has been amended and may yet be amended pursuant to the terms of the Stalking Horse Agreement or this Sale Order (the "**Assumed Contracts**" and the "**Assumed Leases**"), and assign each of them to the Buyer or its designee pursuant to sections 363 and 365 of the Bankruptcy Code and this Sale Order notwithstanding any anti-assignment clause or other similar provision in the Assumed Contract and the Assumed Lease, as provided by section 365(f) of the Bankruptcy Code. The assumption and assignment of the Assumed Contracts and the Assumed Leases is in the best interest of the Debtors and their estates, creditors and other parties in interest, representing the reasonable exercise of sound and prudent business judgment by the Debtors. Subject to paragraphs 21 through 25 of this Sale Order, the Buyer and the Debtors have provided evidence of adequate assurance of future performance by the Buyer under the Assumed Contracts and the Assumed Leases.

S. The Buyer (i) has cured, or has provided adequate assurance of cure, of any default existing prior to the date hereof under any of the Assumed Contracts and Assumed Leases, within the meaning of 11 U.S.C. § 365(b)(1)(A), and (ii) has provided compensation or adequate assurance of compensation to any party for any actual pecuniary loss to such party resulting from a default prior to the date hereof under any of the Assumed Contracts and the Assumed Leases, within the meaning of 11 U.S.C. § 365(b)(1)(B).

T. Subject to paragraphs 22 through 26 of this Sale Order, the cure amounts, if any, set forth in the Third Notice of Revised Cure Amounts filed with the Court on September 8, 2011 [Docket No. 320] (the "**Amended Assumption and Assignment Notice**") with respect to each Assumed Contract and Assumed Lease, or with respect to the Unreviewed Contracts, the amounts set forth on the Assumption and Assignment Notice (collectively, the "**Cure Amounts**") are the sole amounts necessary under sections 365(b)(1)(A) and (B) and 365(f)(2)(A) of the Bankruptcy Code to cure all defaults and pay all actual pecuniary losses under the Assumed Contracts and Assumed Leases.

U. The conditions of section 363(f) of the Bankruptcy Code have been satisfied in full; therefore, the Debtors may sell the Purchased Assets free and clear of any interest in the Purchased Assets, other than the Assumed Liabilities, under the Stalking Horse Agreement.

V. The Buyer is assuming only the Assumed Liabilities, as defined and set forth in the Stalking Horse Agreement, and is not assuming any obligations other than the Assumed Liabilities.

W. The Debtors are assuming and assigning, assigning, and selling to the Buyer only the Assumed Contracts, Assumed Leases and Post-Petition Contracts in accordance with the terms of the Stalking Horse Agreement and are not assuming, assigning, or selling any

executory contracts or unexpired leases other than the Assumed Contracts, Assumed Leases and Post-Petition Contracts.

X. Given all of the circumstances of the Debtors' chapter 11 cases and the adequacy and fair value of the Total Consideration under the Stalking Horse Agreement, the proposed Sale of the Purchased Assets to the Buyer under the Stalking Horse Agreement constitutes a reasonable and fair exchange of consideration and reasonable and sound exercise of the Debtors' business judgment, and should be approved.

Y. All findings of fact and conclusions of law announced by the Court at the Sale Hearing are incorporated herein.

Z. Time is of the essence in consummating the Sale. In order to maximize the value of the Purchased Assets, it is essential that the Sale occur promptly, and within the time constraints set forth in the Stalking Horse Agreement. Accordingly, there is cause to lift the stays contemplated by Bankruptcy Rules 6004 and 6006.

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

General Provisions

1. The Sale Motion is GRANTED, as set forth herein.
2. All objections to the Sale Motion have either been resolved or are OVERRULED; provided, however, that unresolved objections, if any, to the assumption and assignment of the Additional Contracts shall be heard by the Court at the Cure Hearing (as defined below).

Approval of the Stalking Horse Agreement

3. The Stalking Horse Agreement, and all of the terms and conditions thereof, are hereby approved.

4. The sale to the Buyer is approved pursuant to sections 105, 363 and 365 of the Bankruptcy Code, and the Debtors and the Buyer and their affiliates, officers, directors, employees and agents are authorized and directed to immediately take such actions as are necessary to consummate and implement the Stalking Horse Agreement.

5. The Debtors, as well as their affiliates, officers and agents, are authorized and directed to execute and deliver the Stalking Horse Agreement, together with all additional agreements, instruments and documents that may be reasonably necessary or desirable to implement the Stalking Horse Agreement and effectuate the provisions of this Sale Order and the transactions approved hereby, all without further order of the Court. Additionally, pursuant to section 363(b) of the Bankruptcy Code, the Debtors are hereby authorized and empowered to fully assume, perform under, consummate, and implement the Stalking Horse Agreement, together with such additional agreements, instruments and documents that may be reasonably necessary or desirable to implement the Stalking Horse Agreement, and to take all further actions as may reasonably be requested by the Buyer for the purpose of selling, assigning, transferring, granting, conveying, conferring and delivering to the Buyer, or transferring to the Buyer's possession, any or all of the Purchased Assets, or as may be necessary or appropriate to the performance of the obligations, and make effective the transactions contemplated by the Stalking Horse Agreement, all without further order of this Court.

Transfer of the Purchased Assets

6. Pursuant to sections 105(a) and 363(f) of the Bankruptcy Code, the Debtors are authorized to transfer the Purchased Assets in accordance with the terms of the Stalking Horse Agreement, and, upon the closing under the Stalking Horse Agreement, such transfers shall (a) be valid, legal, binding and effective transfers, (b) vest the Buyer with all right, title and interest of the Debtors in and to the Purchased Assets, and (c) be free and clear, unless

otherwise specified in the Stalking Horse Agreement, of all liens, claims, encumbrances and interests, whether arising prior to or subsequent to the commencement of the Debtors' chapter 11 cases, and whether imposed by agreement, law, equity or otherwise, with all such liens, claims, encumbrances and interests attaching to the proceeds of the sale.

7. All persons or entities holding liens, claims, encumbrances or interests of any kind or nature with respect to the Purchased Assets, other than the Assumed Liabilities, are hereby barred from asserting such liens, claims, encumbrances or interests of any kind or nature against the Buyer, its successors or assigns, or the Purchased Assets.

8. All persons and entities are prohibited and enjoined from taking any action to adversely affect or interfere with the ability of the Debtors to transfer the Purchased Assets to the Buyer in accordance with this Sale Order and the terms of the Stalking Horse Agreement.

Assumption and Assignment of Assumed Contracts and Assumed Leases to the Buyer

9. Subject to paragraphs 22 through 26, pursuant to 11 U.S.C. §§ 105(a) and 365, and subject to and conditioned upon the Closing of the Sale, the Debtors' assumption and assignment to the Buyer of the Assumed Contracts and Assumed Leases is hereby approved, and the requirements of 11 U.S.C. § 365(b)(1) with respect thereto are hereby deemed satisfied.

10. Subject to paragraphs 22 through 26, the Debtors are hereby authorized and directed in accordance with 11 U.S.C. §§ 105(a) and 365 to (a) assume and assign to the Buyer, effective upon the Closing of the Sale, the Assumed Contracts and Assumed Leases free and clear of all interests, liens, claims and encumbrances of any kind or nature whatsoever, except as provided in the Stalking Horse Agreement, and (b) execute and deliver to the Buyer such agreements, documents or other instruments as may be necessary to sell, assign, transfer, convey and deliver the Assumed Contracts and Assumed Leases to the Buyer.

11. Subject to paragraphs 22 through 26, the Assumed Contracts and Assumed Leases shall be transferred to, and remain in full force and effect for the benefit of, the Buyer in accordance with their respective terms, notwithstanding any provision in any such Assumed Contract and Assumed Lease (including those of the type described in sections 365(b)(2) and (f) of the Bankruptcy Code) that prohibits, restricts, or conditions such assignment or transfer and, pursuant to 11 U.S.C. § 365(k), the Debtors shall be relieved from any further liability with respect to the Assumed Contracts and Assumed Leases after such assignment to and assumption by the Buyer.

12. Subject to paragraphs 22 through 26, the Buyer shall pay the Cure Amount (if any) set forth in the Amended Assumption and Assignment Notice to the non-Debtor party to each Assumed Contract and Assumed Lease at Closing. The Buyer shall pay the Cure Amount (if any) set forth in the Additional Assumption and Assignment Notice (as defined below) to the non-Debtor party to each Unreviewed Contract as set forth in paragraphs 27 through 29 of this Sale Order.

13. Subject to paragraphs 22 through 26, all defaults or other obligations of the Debtors under any Assumed Contract or Assumed Lease arising or accruing prior to the date of this Sale Order (without giving effect to any acceleration clauses or any default provisions of the kind specified in section 365(b)(2) of the Bankruptcy Code) shall be deemed cured upon payment at the Closing of the Sale or as soon thereafter as practicable, or in the case of an Unreviewed Contract, upon payment in accordance with paragraphs 27 through 29 of this Sale Order, of the Cure Amounts with respect to each Assumed Contract and Assumed Lease.

14. Subject to paragraphs 22 through 26, except for the obligation to pay the Cure Amounts, each nondebtor party to an Assumed Contract or Assumed Lease hereby is forever barred, estopped, and permanently enjoined from asserting against the Debtors or the

Buyer, or the property of any of them, any default existing as of the date of the entry of this Order, whether declared or undeclared or known or unknown; or, against the Buyer, any counterclaim, or any other claim asserted or assertable against the Debtors.

15. Subject to paragraphs 22 through 26, the failure of the Debtors or the Buyer to enforce at any time one or more terms or conditions of any Assumed Contract or Assumed Lease shall not be a waiver of such terms or conditions, or of the Buyer's rights to enforce every term and condition of the Assumed Contract or Assumed Lease.

16. Subject to paragraphs 22 through 26, any provisions in any Assumed Contract or Assumed Lease that prohibit or condition the assignment of any Assumed Contract or Assumed Lease or allow the non-debtor party to such Assumed Contract or Assumed Lease to terminate, recapture, impose any penalty, condition a renewal or extension, or modify or limit any term or condition upon the assignment of such Assumed Contract or Assumed Lease, constitute unenforceable anti-assignment provisions that are void and of no force and effect. Subject to paragraphs 22 through 26, all other requirements and conditions under sections 363 and 365 of the Bankruptcy Code for the assumption by the Debtors and assignment to the Buyer of the Assumed Contracts and Assumed Leases have been satisfied. Subject to paragraphs 22 through 26, upon Closing, in accordance with sections 363 and 365 of the Bankruptcy Code, the Buyer shall be fully and irrevocably vested with all rights, title, privilege and interest of the Debtors under the applicable Assumed Contract and Assumed Lease.

17. Subject to paragraphs 22 through 26, the payment of the Cure Amounts (if any) shall (a) effect a cure of all defaults existing thereunder as of the Closing Date, (b) compensate for any actual pecuniary loss to such non-debtor party resulting from such defaults, (c) constitute satisfaction in full of all amounts accrued as of the Closing Date and (d) together with the assumption and purchase of the Assumed Contracts and Assumed Leases by

the Buyer, constitute adequate assurance of future performance thereof. Subject to paragraphs 22 through 26, upon the payment of the Cure Amounts, the Buyer shall have assumed the Assumed Contracts and Assumed Leases and, pursuant to sections 363, 365(f), and 365(k) of the Bankruptcy Code, the assignment and sale by the Debtors of such Assumed Contracts and Assumed Leases shall not be a default thereunder. Subject to paragraphs 22 through 26, after the payment of the relevant Cure Amounts, neither the Debtors nor the Buyer shall have any further obligations to the non-debtor parties to the Assumed Contracts and Assumed Leases other than the Buyer's obligations under the Assumed Contracts and Assumed Leases that accrue on or after the Closing Date, or otherwise pursuant to the Assumed Liabilities.

18. Subject to paragraphs 22 through 26, upon the Closing Date and the payment of the relevant Cure Amount by the Buyer, the Buyer shall be deemed to be substituted for the Debtors as a party to the applicable Assumed Contracts and Assumed Leases, and the Debtors shall be relieved from all liability on such Assumed Contracts and Assumed Leases arising after the Closing Date.

19. Subject to paragraphs 22 through 26, the Buyer has provided adequate assurance of its future performance under the relevant Assumed Contracts and Assumed Leases within the meaning of sections 365(b)(1)(C), 365(b)(3) (to the extent applicable), and 365(f)(2)(B) of the Bankruptcy Code.

20. There shall be no rent accelerations, assignment fees, increases (including advertising rates), or any other fees charged to the Buyer as a result of the assumption, assignment, and sale of the Assumed Contracts and Assumed Leases.

21. Pursuant to sections 105(a), 363, and 365 of the Bankruptcy Code, all parties to the Assumed Contracts and Assumed Leases are forever barred and enjoined from raising or asserting against the Buyer or the Purchased Assets any assignment fee, default,

breach, or claim or pecuniary loss, or condition to assignment, arising under or related to the Assumed Contracts and Assumed Leases existing as of the Closing Date or arising by reason of the Closing, except for any post-petition amounts that are Assumed Liabilities being assumed by the Buyer under the Stalking Horse Agreement.

Procedures With Respect to Additional Contracts

22. The Debtors shall serve a copy of the Amended Assumption and Assignment Notice on the counterparties to the Additional Contracts on Thursday, September 8, 2011.

23. Objection to (a) the assumption and/or assignment of an Additional Contract or (b) the proposed Cure Amount for an Additional Contract, must be in writing, state the basis of such objection with specificity and be filed with the Court and be actually received on or before 5:00 p.m. Prevailing Eastern Time on Monday, September 26, 2011, by (i) Signature Styles, LLC, 711 Third Avenue, 4th Floor, New York, New York 10017 (Attn: Bob Angart) Fax: (216) 464-5339 Email: rangart@ameritech.net; (ii) Polsinelli Shughart PC, 222 Delaware Avenue, Suite 1101, Wilmington, DE 19801 (Attn: Christopher A. Ward) Fax: (302) 252-0921, Email: cward@polsinelli.com; (iii) Jones Day, 2727 N. Harwood Street, Dallas, TX 75201, Attn: Gregory M. Gordon, Fax: (214) 969-5100, Email: gmgordon@jonesday.com, Attn: Dan B. Prieto, Fax: (214) 969-5100, Email: dbprieto@jonesday.com, (iv) the office of the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Wilmington, Delaware 19801, Attn: Juliet Sarkessian, Email: Juliet.M.Sarkessian@usdoj.gov, Fax: (302) 573-6497 (the “U.S. Trustee”); and (v) Cooley LLP, 1114 Avenue of the Americas, New York, New York 10036, Attn: Jay Indyke and Jeffrey L. Cohen, Email: jindyke@cooley.com and jcohen@cooley.com

24. Unless an objection is timely filed and served, all counterparties to the Additional Contracts shall (a) be forever barred from objecting to the proposed Cure Amount and from asserting any additional cure or other amounts with respect to the Additional Contracts and the Debtors and the Buyer shall be entitled to rely solely upon the proposed Cure Amount set forth in the Amended Assumption and Assignment Notice; (b) be deemed to have consented to the assumption and/or assignment, and (c) be forever barred and estopped from asserting or claiming against the Debtors or the Buyer that any additional amounts are due or other defaults exist, that conditions to assignment must be satisfied under such Additional Contract or that there is any objection or defense to the assumption and/or assignment of such Additional Contract.

25. If a counterparty to an Additional Contract files an objection asserting a cure amount greater than the proposed Cure Amount (a “**Cure Objection**”), then (a) to the extent that the parties are able to consensually resolve the Cure Objection prior to a hearing before the Court on October 18, 2011 at 3:00 p.m. Prevailing Eastern Time or at such other date and time as may be fixed by this Court (the “**Cure Hearing**”), the Debtors shall promptly provide the Committee and the Buyer notice and opportunity to object to such proposed resolution, or (b) to the extent the parties are unable to consensually resolve the Cure Objection prior to the Cure Hearing, such objection will be heard at the Cure Hearing. All pending objections to the proposed assumption and assignment of the Additional Contracts shall also be heard at the Cure Hearing to the extent not resolved prior to the Cure Hearing.

26. The Buyer shall have the right, in the Buyer’s sole discretion, by giving written notice to the Debtors as soon as practicable after the Cure Hearing, not to assume any Additional Contract that was the subject of an objection; provided, however, notwithstanding anything contained herein or in the Stalking Horse Agreement to the contrary, the Buyer shall pay the Additional Contract counterparty all Carrying Costs (as defined in the Stalking Horse

Agreement) pursuant to and arising under such Additional Contract from the Closing Date through the date that the rejection of such Additional Contract becomes effective pursuant to an order of the Bankruptcy Court.

Procedures With Respect to Unreviewed Contracts

27. The Buyer shall notify the Debtors in writing by Friday, September 16, 2011 if the Buyer wishes to add any Unreviewed Contract to Schedule 2.1(a) of the Stalking Horse Agreement. If the Buyer elects to add any Unreviewed Contract, the Debtors will file the an additional assumption and assignment notice (the “**Additional Assumption and Assignment Notice**”) with the Court by Friday, September 16, 2011, listing such Unreviewed Contracts.

28. The Buyer shall then pay the Cure Amount (if any) to each non-Debtor party to the Unreviewed Contracts by Wednesday, September 21, 2011 or as soon thereafter as possible.

29. Upon payment of the Cure Amount to the non-Debtor party to the Unreviewed Contract, such Unreviewed Contract shall be deemed added to Schedule 2.1(a) of the Stalking Horse Agreement. Any Unreviewed Contract not added to Schedule 2.1(a) of the Stalking Horse Agreement by September 16, 2011 shall be deemed rejected as of the Closing Date.

Additional Provisions

30. To the greatest extent allowed by applicable law, the Buyer is not a “successor” to the Debtors or their estates by reason of any theory of law or equity, and the Buyer shall not assume, nor be deemed to assume, or in any way be responsible for any liability or obligation of any of the Debtors and/or their estates nor have any liability or responsibility for any liabilities or other obligations of the Debtors arising under or related to the Purchased Assets, except as set forth in the Stalking Horse Agreement. Without limiting the generality of the

foregoing, except as set forth in the Stalking Horse Agreement, and to the greatest extent allowed by applicable law, the Buyer shall not be liable for: (a) any fixed, unliquidated or contingent claims against the Debtors or any of their predecessors or affiliates, whether based upon successor or vicarious liability or otherwise, and whether any of such items are known or unknown as of the Closing Date; (b) any violation or alleged violation of any environmental laws; (c) any claim or obligation under state escheat or unclaimed property law; or (d) liabilities under any pension, tax, employment, labor, antidiscrimination or products liability laws or regulations, including the Employee Retirement Income Security Act, the Worker Adjustment and Retraining Notification Act and any products liability law, or any other liability related to the Debtors, the Excluded Assets or the Purchased Assets.

31. On and after the Closing Date, each of the Debtors' creditors asserting a lien in any of the Purchased Assets is authorized and directed to execute such documents and take all other actions as may be necessary to release its liens on or against the Purchased Assets being transferred pursuant to the Stalking Horse Agreement, as such liens may have been recorded or otherwise exist; provided that the failure of any such creditors to comply with the provisions of this paragraph shall in no way limit the release, discharge and termination of any such lien against the Purchased Assets purchased as otherwise provided by this Sale Order.

32. If any person or entity that has filed financing statements, mortgages, mechanics' liens, *lis pendens*, or other documents or agreements evidencing claims against or in the Debtors or the Purchased Assets shall not have delivered to the Debtors prior to closing, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, releases of all interests which the person or entity has with respect to the Debtors or the Purchased Assets or otherwise, then only with regard to the Purchased Assets being acquired by the Buyer pursuant to the Stalking Horse Agreement, the Buyer is hereby

authorized to file, register or otherwise record a certified copy of this Sale Order, which, once filed, registered or otherwise recorded, shall constitute conclusive evidence of the release of all claims against the Purchased Assets other than the Assumed Liabilities and all liabilities and obligations under the Assumed Contracts. This Sale Order is deemed to be in recordable form sufficient to be placed in the filing or recording system of each and every federal, state or local government agency, department or office.

33. The automatic stay provisions of section 362 of the Bankruptcy Code are vacated and modified to the extent necessary to implement the terms and provisions of the Stalking Horse Agreement and the provisions of this Sale Order.

34. Each and every federal, state and local government agency or department and all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds and other similar persons are hereby directed to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the Stalking Horse Agreement and this Sale Order.

35. All persons or entities that are presently, or on the Closing Date may be, in possession of some or all of the Purchased Assets are hereby directed to surrender possession of the Purchased Assets to the Buyer on the Closing Date.

36. Article 6 of the Uniform Commercial Code governing Bulk Sale Transfers and comparable state statutes are not applicable to the sale of the Purchased Assets to the Buyer.

37. This Court retains jurisdiction to (a) enforce and implement the terms and provisions of the Stalking Horse Agreement, all amendments thereto, any waivers and consents thereunder, and of each of the agreements executed in connection therewith; (b) compel delivery of the Purchased Assets to the Buyer, (c) compel specific performance of the Debtors' and the Buyer's obligations under the Stalking Horse Agreement; (d) resolve any disputes arising under

or related to the Stalking Horse Agreement; (e) interpret, implement and enforce the provisions of this Sale Order; and (f) determine any disputes relating to or concerning the receipt, use, application or retention of the proceeds from the sale of the Purchased Assets.

38. Nothing contained in any plan of reorganization or liquidation confirmed in these bankruptcy cases or the order of confirmation confirming such plan shall conflict with or contradict the provisions of the Stalking Horse Agreement or this Sale Order. To the extent that any provision of this Sale Order is inconsistent with the provisions of the Stalking Horse Agreement, any prior order, or any pleading with respect to the motions in these cases, the terms of this Sale Order control.

39. The Buyer is deemed a buyer in good faith of the Purchased Assets and thus entitled to all of the protections afforded by section 363(m) of the Bankruptcy Code.

40. The terms and provisions of the Stalking Horse Agreement, together with the terms and provisions of this Sale Order, shall be binding in all respects upon, and shall inure to the benefit of the Debtors, the Debtors' estates and the Debtors' creditors, the Buyer and its affiliates, successors and assigns, and any affected third parties and persons or entities asserting a claim against or interest in or lien on the Debtors' estates or any of the Purchased Assets to be sold to the Buyer pursuant to the Stalking Horse Agreement, notwithstanding any subsequent appointment of any trustee for the Debtors under any chapter of the Bankruptcy Code, as to which trustee such terms and provisions likewise shall be binding in all respects.

41. The Stalking Horse Agreement and any related agreements, documents or other instruments may be modified, amended or supplemented by the parties thereto in accordance with the terms thereof without further order of the Court, provided that any such modification, amendment or supplement is not material and notice of such modification,

amendment or supplement is provided to the Pre-Petition Lenders, the Committee and the U.S. Trustee.

42. Through the Closing Date of the Sale, the Debtors shall pay, from funds available under their DIP loan (the “**DIP Facility**”) and not from the purchase price payment under the Stalking Horse Agreement, any allowed administrative expenses of creditors (for the avoidance of doubt, this excludes any section 503(b)(9) claims), which expenses were incurred by the Debtors in the ordinary course of the Debtors' business starting on the Petition Date and ending on and including the Closing Date (the “**Ordinary Course Expenses**”). In addition, pursuant to the terms of the order approving the DIP Facility (the “**Final DIP Order**”), the Debtors shall deposit the proceeds of the Termination Date Loans (as defined in the Final DIP Order) into the Professional Fee Account (as defined in the Final DIP Order) and into an account designated by counsel to the DIP Agent and the DIP lenders. Subject to compliance with the procedures set forth in paragraph 43 of this Sale Order, the Buyer shall assume all Ordinary Course Expenses, if any, that have not been satisfied by the Closing Date. The lenders under the DIP Facility hereby agree and shall make loans, notwithstanding any termination provision in the DIP Facility, under the DIP Facility to the Buyer, who is assuming the Debtors' obligations under the DIP Facility, to the extent necessary to permit the Buyer to satisfy the Ordinary Course Expenses. The DIP Facility shall not be amended in any other respect and shall otherwise be unaffected by the provisions of this Sale Order.

43. The Buyer shall have the right and reasonable opportunity to object to the allowance of any claims of creditors that would constitute Ordinary Course Expenses assumed by the Buyer. Any consensual resolution of a disputed Ordinary Course Expense shall be subject to the Buyer's consent to such proposed resolution.

44. Pursuant to section 6.11(a) of the APA, the Debtors shall have access to their books and records as described in such section. For the avoidance of doubt, this shall include access to books and records for purposes of reconciling claims filed against the Debtors' estates.

45. At Closing, Patriarch Partners, LLC and its affiliates, including, but not limited to, Zohar III, Limited, Zohar II 2005-1 Limited and the Buyer (collectively, "**Patriarch**") shall be deemed to have waived any and all claims against the Debtors and their estates and any proof of claim filed by Patriarch is hereby deemed expunged; provided, however, that the DIP Lenders (as such term is defined in the Final DIP Order) shall not waive their right under the Final DIP Order to the return of any proceeds of the Termination Date Loans (as such term is defined in the Final DIP Order) pursuant to the Final DIP Order.

46. Nothing herein shall impair the operation of 11 U.S.C. § 363(o).


47. The failure specifically to reference any particular provision of the Stalking Horse Agreement in this Sale Order shall not diminish or impair the efficacy of such provision.

48. The Debtors and the Buyer are hereby authorized and directed to take all actions reasonably necessary to effectuate the terms of the Stalking Horse Agreement, the transactions contemplated thereunder and the provisions of this Sale Order, all without the necessity of any further order of the Court.

49. The provisions of Bankruptcy Rules 6004(g) and 6006(d) shall not apply to stay consummation of the sale of the Purchased Assets to the Buyer under the Stalking Horse Agreement, as contemplated in the Sale Motion and approved by this Sale Order, and the Debtors and the Buyer are hereby authorized to consummate the transactions contemplated and approved herein immediately upon entry of this Sale Order.

50. This Court shall retain jurisdiction to, among other things, interpret, implement, and enforce the terms and provisions of this Sale Order and the Stalking Horse Agreement, all modifications thereto, and any waivers and consents thereunder and each of the agreements executed in connection therewith.

Dated: September 9,
2011
Wilmington, Delaware



THE HONORABLE KEVIN GROSS
UNITED STATES BANKRUPTCY JUDGE