

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

In re:	)	Chapter 11
)	
UNILIFE CORPORATION, <i>et al.</i> , ¹	)	Case No. 17-10805 (LSS)
	)	(Jointly Administered)
Debtors.)	
	)	Hearing Date: August 28, 2017 at 3:00 p.m. (ET)
	)	Objection Deadline: August 21, 2017 at 4:00 p.m. (ET)

**DEBTORS' MOTION FOR ORDER APPROVING PRIVATE SALE OF
CERTAIN REAL PROPERTY LOCATED IN YORK, PENNSYLVANIA,
FREE AND CLEAR OF ALL LIENS, CLAIMS, RIGHTS, AND
ENCUMBRANCES AND RELEASE OF RIGHTS IN RESTRICTED ACCOUNT**

The above-captioned debtors and debtors-in-possession, hereby respectfully file this motion (the "Motion"), pursuant to sections 105(a) and 363 of title 11 of the United States Code (the "Bankruptcy Code") and Rules 2002 and 6004 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") for entry of an Order authorizing and approving the sale of the Debtor's right, title, and interest in and to certain real estate located in York, Pennsylvania (the "Property") to First National Bank of Pennsylvania ("FNB" or the "Buyer") and in connection therewith a release of the estates' interest in a restricted deposit account. In support hereof, the Debtors respectfully state as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction over the subject matter of this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This matter concerns the administration of the bankruptcy estates and the use and sale of property and is, therefore, a core proceeding pursuant to 28 U.S.C. §

¹ The Debtors in these Chapter 11 cases are the following entities (the last four digits of each Debtor's respective federal tax identification number, if any, follow in parentheses): Unilife Corporation (9354), Unilife Medical Solutions, Inc. (9944), and Unilife Cross Farm LLC (3994) (collectively, the "Debtors"). The Debtors' corporate headquarters and the mailing address for each Debtor is 250 Cross Farm Lane, York, PA 17406.

157(b)(2). Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief sought herein are sections 105 and 363 of the Bankruptcy Code.

BACKGROUND

2. On April 12, 2017 (the "Petition Date"), the Debtors commenced these cases (the "Chapter 11 Cases") by filing voluntary petitions for relief under Chapter 11 of the Bankruptcy Code.

3. On or about June 2, 2017, the United States Trustee appointed a Committee of Unsecured Creditors (the "Committee") in these Chapter 11 Cases. No trustee or examiner has been appointed in these Chapter 11 Cases.

4. The Debtors are debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Debtors have concluded a sale process with respect to their assets.

5. The factual background relating to the Debtors' commencement of these Chapter 11 cases is set forth in detail in the *Declaration of John Ryan in Support of the Debtors' Chapter 11 Petitions and First Day Relief* [Docket No. 5] (the "Ryan Declaration").

THE PRIOR MARKETING OF THE PROPERTY

6. The Property is an approximately 165,000 square foot facility located on a 38 acre site in York, Pennsylvania. It is owned by the Debtor, Unilife Cross Farm LLC, and is subject to a first mortgage in favor of FNB. As of December 31, 2016, the aggregate amount due on the mortgage loan was approximately \$12.1 million. The U.S. Department of Agriculture has guaranteed \$8.0 million of the mortgage loan due December, 2031. In addition, the Debtors have deposited funds in a debt service reserve account held by FNB to secure payment of the debt secured by the first mortgage (the "Restricted Account"). The current balance in the Restricted Account is approximately \$1.8 million.

7. On the Petition Date, the Property was also subject to a second mortgage held by FNB in the approximate amount of \$3.75 million, a third mortgage in favor of Commonwealth of Pennsylvania Financing Authority in the approximate amount of \$2 million, and a fourth mortgage held by ROS Acquisition Offshore, L.P. in excess of \$80 million.

8. The facility was opened in December, 2010 and includes clean rooms, administrative offices, research and development laboratories, prototyping and automation facilities, a warehouse and expansion space. As reflected in the Ryan Declaration, the Debtors had listed the Property for sale several months prior to the Petition Date, and were unable to secure a buyer prior to the Petition Date.

9. On the Petition Date, the Debtors filed a *Motion of the Debtors for Entry of (I) an Order (A) Approving Bidding Procedures in Connection with the Sale of Substantially All of the Debtors' Assets, (B) Approving the Form and Manner of Notice Thereof, (C) Scheduling an Auction and Sale Hearing, (D) Approving Procedures for the Assumption and Assignment of Contracts, and (E) Granting Related Relief; and (II) an Order (A) Approving the Asset Purchase Agreement Between the Debtors and the Successful Bidder, and (B) Authorizing the Sale of Substantially All of the Debtors' Assets Free and Clear of Liens, Claims, Encumbrances, and Interests, (C) Authorizing the Assumption and Assignment of Contracts, and (D) Granting Relief* [Docket No. 16] (the "Sale Motion"). The Property was included in the assets which the Debtors sought to sell pursuant to the Sale Motion.

10. On May 4, 2017, the Court entered an *Order (A) Approving Bidding Procedures in Connection with the Sale of Substantially All of the Debtors' Assets, (B) Approving the Form and Manner of Notice Thereof, (C) Scheduling an Auction and Sale Hearing, (D) Approving Procedures for the Assumption and Assignment of Contracts, and (E) Granting Related*

Relief [Docket No. 122] (the “Bid Procedures Order”). Among other things, the Bid Procedures Order approved procedures for the marketing of the Debtors’ assets (including the Property), and set certain dates and deadlines, including a deadline for the Debtors to receive qualified bids, the date for an auction (if necessary) and the date for a hearing to consider the sale transaction(s).

11. In connection with the Sale Motion and in compliance with the terms of the Bid Procedures Order, the Debtors marketed the Property, along with all of the Debtors’ other assets, to potential purchasers.

12. The Debtors conducted an auction on July 17, 2017. Other than a credit bid by the Buyer, the Debtors did not receive any bids for the Property, either on its own or in conjunction with other assets.

13. A sale hearing was conducted on July 19, 2017 at which the Debtors presented to the Court three (3) credit bids which were the highest and best offers received by the Debtors for the respective assets to be purchased under each of the bids. None of the bids included the Property as an asset to be purchased.

14. On July 21, 2017, the Court entered two orders [Docket Nos. 286 and 287] approving the asset purchase agreements entered into between the Debtors and the three successful bidders. Closing on the approved sale transactions occurred as of July 24, 2017.

15. Although the Buyer appeared at the auction, the Debtors did not accept the \$3 million credit bid proposed by the Buyer at that time. However, both during and subsequent to the auction, the Debtors conducted arms-length discussions with the Buyer and the Committee in an effort to generate enhancements that would be required in order for the Debtors and the Committee to support a credit bid offer by the Buyer for the Property. Ultimately, the parties

reached an agreement and the Buyer amended its initial credit bid which now includes the following terms:

A. The sale of the Property for a credit bid of \$3 million will be free and clear of all liens, claims, encumbrances with a trustee deed delivered/recorded with closing no later than August 31, 2017;

B. The Debtors will waive any claim or interest in the Deposit Account held at FNB as additional collateral to secure the repayment of the mortgage in the approximate amounts of \$1.8 million;

C. The Buyer releases the Debtors and their estates from any and all claims, including any deficiency claim against the Debtors;

D. The Buyer will transfer \$20,000 to the Debtors' estates in exchange for a full release from the Debtors' estates, including any surcharge claim under section 506(c);

E. The Buyer, post-closing, shall be free to negotiate with the other successful purchasers of the Debtors' assets to lease all or some portion of the Property; and

F. The Buyer may continue to charge cash management fees to the Debtors until they move their funds to another financial institution.

16. The terms agreed to above are contained in a written agreement, a copy of which is annexed hereto (the "Sale Agreement").

17. In the Debtors' business judgment, the Sale Agreement terms are favorable to the Debtors' estates, and selling the Property pursuant to those terms is in the best interest of the Debtors' estates and their creditors.

Summary of Relief Requested

18. By this Motion, the Debtors respectfully request an order pursuant to sections 105(a) and 363 of the Bankruptcy Code approving the Sale Agreement in its entirety, authorizing

the Debtors to sell the Property to the Buyer under the Sale Agreement free and clear of all liens, claims, rights, and encumbrances, and granting related relief.

Relief Requested and Applicable Authority

A. The Debtors request approval of the transaction outside of the ordinary course of business.

19. Section 363(b)(1) of the Bankruptcy Code provides that “[t]he trustee, after notice and a hearing, may use, sell or lease, other than in the ordinary course of business, property of the estate.” Courts have held that proposed sales of property pursuant to section 363(b) should be approved upon a finding that the decision to enter into the transaction represents a reasonable business judgment. See, e.g., In re Delaware & Hudson Ry. Co., 124 B.R. 169, 176 (Bankr. D. Del. 1991) (holding that a court must be satisfied that there is a “sound business reason” justifying sale of assets); In re Phoenix Steel Corp., 82 B.R. 334, 335 (Bankr. D. Del. 1987) (stating that the elements necessary for approval of a section 363 sale are “that the proposed sale is fair and equitable, that there is a good business reason for completing the sale and the transaction is in good faith”). Sales of property outside of the ordinary course of business may be by private sale, as opposed to public auction. See Bankruptcy Rule 6004(f)(1).

20. The Debtors believe that the sale of the Property to the Buyer represents a prudent and proper exercise of the Debtors’ business judgment and is supported by sound business reasons.

21. The purchase price is reasonable, and the result of good faith, arm’s length negotiation between the Debtors and the Buyer.

22. The Debtors have reason to favor proceeding by way of private sale. As set forth above, after a robust marketing effort, the Debtors did not receive any offers for the Property, other than from the Buyer. There is no reason to assume that the additional cost of undertaking a

new sales process would generate a different result. Under these circumstances, the Debtors believe that the best course of action is to sell the Property to the Buyer in a private sale, subject to higher and better offers, and to provide notice of the sale to parties in interest. In addition to a payment of \$20,000 and release of claims over \$7 million, the Debtors will cease incurring utility charges, security fees and other costs associated with the Property that could erode the Debtors' limited remaining resources.

23. In sum, the Debtors respectfully submit that entering into the proposed transaction with the Buyer under the terms of the Sale Agreement is in the estates' best interest and is a sound exercise of their business judgment.

B. The Debtors request that the sale be free and clear of all liens, claims, rights, and encumbrances.

24. Section 363(f) of the Bankruptcy Code provides:

The trustee may sell property under subsection (b) or (c) of this section free and clear of any interest in such property of an entity other than the estate, only if -

- (1) applicable nonbankruptcy law permits sale of such property free and clear of such interest;
- (2) such entity consents;
- (3) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;
- (4) such interest is in a bona fide dispute; or
- (5) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

25. Section 363(f) is drafted in the disjunctive. Thus, satisfaction of any one of the elements would permit sale of the Property free and clear of all liens, claims, rights, and

encumbrances (collectively, “Interests”), See, e.g., Citicorp Homeowners Servs., Inc. v. Elliot, 94 B.R. 343, 345 (E.D. Pa. 1988).

26. The Debtors believe that, as to each and every entity or person having any such Interest in the Property, at least one of the five criteria set forth in section 363(f) of the Bankruptcy Code will apply.

27. Applicable caselaw provides that under section 363(f), a trustee may sell a debtor’s assets free and clear of all Interests, with all Interests attaching to the net proceeds of the sale. See, e.g., Folger Adam Security, Inc. v. DeMatteis/MacGregor, JV, 209 F.3d 252, 259 (3d Cir. 2000) (“[T]he holdings of the courts suggest that any interest in property that can be reduced to a money satisfaction constitutes a claim for purposes of section 363(f) and, therefore, attaches to the proceeds of the sale.”); In re WPRV-TV, Inc., 143 B.R. 315, 321 (D.P.R. 1991); Citicorp Homeowners, 94 B.R. at 345.

28. To the extent that the Court determines that Interests exist that would not be extinguished as described above, the Debtors respectfully submit that holders of any such Interests should be deemed to have waived their rights if they fail to object to this Motion. See, e.g., Folger Adam, 209 F.3d at 265. As the United States Court of Appeals for the Third Circuit recognized, “Due Process requires ‘notice reasonably calculated, under all circumstances, to apprise interested parties of the pendency of the action and afford them an opportunity to present their objections.’” Id. (quoting Mullane v. Central Hanover Bank & Trust Co., 339 U.S. 306 (1950)).

29. The Debtors expect that any Interest holders that may exist will consent or be deemed to have consented to the sale, given that the sale protects their interests by maximizing the value of the Property. Moreover, the Interest holders had the opportunity to submit a credit

bid under 363(k) of the Bankruptcy Code during the auction proceedings if they believed there was value in the Property above the amount secured by the first mortgage and none of the Interest holders chose to bid. The Debtors, therefore, anticipate that the sale will satisfy the second element of section 363(f). See, e.g., Hargrave v. Township of Pemberton (In re Tabone, Inc.), 175 B.R. 855, 858 (Bankr. D.N.J. 1994) (by not objecting to sale motion, secured creditor deemed to have consented under section 363(f)(2)); Pelican Homestead & Sav. Ass'n v. Wooten (In re Gabel), 61 B.R. 661, 667 (Bankr. W.D. La. 1985) (same).

30. Regardless of whether the Debtors obtain consent, however, section 363(f)(5) allows a trustee to sell property free and clear of liens when a legal or equitable proceeding exists that would force the lien holder to accept less than full money satisfaction for its interest. See, e.g., In re James, 203 B.R. 449, 453 (Bankr. W.D. Mo. 1997); WPRV-TV, Inc., 143 B.R. at 321.

31. Accordingly, the Debtors request that the Court declare that the transfer of the Property to the Buyer will be free and clear of all Interests to the fullest extent permitted under section 363(f) of the Bankruptcy Code.

32. The Debtors further request that the Court enjoin any holders of Interests that may exist from asserting such Interests against either the Property or the Buyer.

33. The purpose of an order purporting to authorize the transfer of assets free and clear of all “interests” would be frustrated if claimants could thereafter use the transfer as a basis to assert claims against a buyer arising from the debtor’s pre-sale conduct. In furtherance of section 363(f), buyers should receive assurance that transferred assets are not burdened with latent claims that will be asserted after the proposed transactions are completed.

34. Case law supports the issuance of injunctions under such circumstances:

Courts have long recognized that inherent within the authority to sell property free and clear of liens is the power to enjoin such

creditors from pursuing the purchase of such property. Nevertheless, more explicit protection is often needed to effectuate this important aspect of a § 363 sale. In other words, an actual injunction barring creditors from suing a Buyer of estate assets is sometimes necessary and appropriate to give the “free and clear” aspect of § 363(f) meaning. When this is the case, a court has the power to “issue an order . . . necessary or appropriate to carry out [§ 363(f), one of] the provisions of the [Bankruptcy Code].”

In re Dow Corning Corp., 198 B.R. 214, 245 (Bankr. E.D. Mich. 1996) (citing, *inter alia*, 11 U.S.C. § 105(a); Whitehead & Kales Co. v. Dempster (In re Wiltse Bros. Corp.), 361 F.2d 295, 299 (6th Cir. 1966)).

35. While bankruptcy courts generally recognize that: “[Section] 105(a) neither creates substantive rights nor permits the courts to contravene the Bankruptcy Code,” it is equally clear that under certain circumstances “a permanent injunction is necessary to carry out the effect of the ‘free-and-clear’ language [contained in a section 363 sale order].” WBQ P’ship v. Virginia Dep’t of Med. Assistance Servs. (In re WBQ P’Ship), 189 B.R. 97, 110 (Bankr. E.D. Va. 1995). See also In re P.K.R. Convalescent Centers, 189 B.R. 90 (Bankr. E.D. Va. 1995) (enjoining a creditor from suing the asset Buyer prior to the approval of the sale); In re Parks Indus. Corp., 132 B.R. 504 (D. Me. 1991) (free and clear sale enabled bankruptcy court to enjoin product liability claims as asserted against Buyer).

36. Accordingly, the Debtors request that the Property be transferred to the Buyer free and clear of all Interests, and that any Interest holder that may exist be enjoined from asserting such Interests against the Property or Buyer.

C. The Debtors request that the Buyer be afforded the protections of section 363(m).

37. Section 363(m) of the Bankruptcy Code provides:

The reversal or modification on appeal of an authorization under subsection (b) and (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 or lease were stayed pending appeal.

38. Mindful of this statutory provision, the United States Court of Appeals for the Third Circuit has directed that when a bankruptcy court authorizes a sale of assets pursuant to section 363(b), it is required to make a finding with respect to the “good faith” of the Buyer. See In re Abbotts Dairies of Pennsylvania, Inc., 788 F.2d 143, 150 (3d Cir. 1986). The Court of Appeals defined “good faith” under section 363(m) as “encompass[ing] one who purchases in ‘good faith’ and for ‘value’”. Id. at 147.

39. The Sale Agreement is the result of arm’s length negotiations between the Debtors and the Buyer, and is not in any way tainted by fraud, collusion, or bad faith. Accordingly, the Debtors submit that providing the Buyer with the “good faith” protections of section 363(m) is warranted.

D. The Debtors request that proposed notice be deemed adequate.

40. Under Bankruptcy Rule 2002(a) and (c), the Debtors are required to notify creditors of the terms and conditions of the sale and the objection deadline. The Debtors respectfully submit that this Motion, which contains the type of information required under Bankruptcy Rule 2002(c), will enable interested parties to participate in the sale hearing if they so choose.

41. The Debtors shall promptly serve a copy of the Motion, including all attachments, by first-class United States mail, upon: (a) the Office of the United States Trustee, (b) counsel for the official committee of unsecured creditors, (c) the Buyer, (d) any creditors (other than the Buyer) identified as holding a claim secured by the Property as identified in the Debtors’ books and records, with respect to the Debtor, (e) the U.S. Department of Agriculture, (f) local taxing

authorities for the State of Pennsylvania and York County, and (g) all parties in interest who requested notice pursuant to Bankruptcy Rule 2002 (collectively, the “Notice Parties”).

42. The Debtors submit that this notice constitutes good and adequate notice of the sale and related proceedings (including, but not limited to, the sale hearing). Therefore, the Debtors respectfully request that this Court approve the foregoing notice procedures.

E. The Debtors request that the 14-day stay of Rule 6004(h) not apply.

43. The Debtors and the Buyer intend to consummate the sale by closing as quickly as possible. Accordingly, the Debtors respectfully request that the Court order that the Rule 6004(h) stay shall not apply to any order approving the sale, and that such order shall be effective and enforceable immediately upon entry. Therefore, any party objecting to the sale would have to exercise diligence in filing an appeal and pursuing a stay, or else risk their appeal being foreclosed or rendered moot.

No Prior Request

44. No prior request for the relief sought herein has been requested from this Court or any other court.

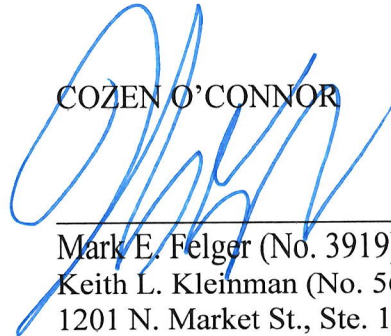
Notice

45. Notice of this Motion has been provided in accordance with the notice procedures set forth above.

WHEREFORE, the Debtors respectfully request that the Court grant the relief requested in this Motion and such other and further relief as this Court deems just and proper.

Dated: August 7, 2017

COZEN O'CONNOR



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Debtors-in-Possession*

SETTLEMENT AND RELEASE AGREEMENT

This Settlement and Release Agreement (“Agreement”) is made and entered into as of August __, 2017 between **UNILIFE CORPORATION, UNILIFE CROSS FARM LLC, AND UNILIFE MEDICAL SOLUTIONS, INC.** (“Unilife Parties” or the “Debtors”), and **FIRST NATIONAL BANK OF PENNSYLVANIA, SUCCESSOR BY MERGER TO METRO BANK,** (“FNB” together with the Debtors, collectively the “Parties”).

RECITALS

A. Unilife Cross Farm LLC owns a certain parcel of real estate commonly known as 250 Cross Farm Lane, York, PA 17406 (“Realty”).

B. The Debtors are debtors-in-possession in the United States Bankruptcy Court for the District of Delaware (“Bankruptcy Court”) in the case styled In re: Unilife Corporation, et al.; Del. Bankr., Case No. 17-10805 (LSS) (Jointly Administered).

C. The Debtors filed the Motion for Order Approving Private Sale of Certain Real Property Located in York, Pennsylvania, Free and Clear of All Liens, Claims, Rights, and Encumbrances and Release of Rights in Restricted Account (“Sale Motion”) [Doc. No. _____].

D. Pursuant to the Sale Order, the Debtors are authorized to enter into and execute this Agreement.

E. The Restricted Account, as defined in the Sale Motion, is held at FNB.

F. As set forth in the Sale Motion, the Debtors and FNB have agreed to settle all matters and memorialize such terms herein as described in the Sale Motion and approved in the Sale Order.

In consideration of the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the Debtors and FNB agree as follows:

1. **EFFECTIVE DATE.** This Agreement shall be effective upon the date (the “Effective Date”) that the Bankruptcy Court enters a mutually acceptable order granting the Sale Motion (a “Sale Order”) and only upon execution of this Agreement by all of the Parties.

2. **Purchase and Sale.** Unilife Cross Farm LLC agrees to sell and FNB, or its assignee, agrees to purchase the Realty, on the terms and conditions set forth more fully in the attached Exhibit “A”—Real Estate Sales Agreement. The sale shall close no later than August 31, 2017 (the “Closing Date”).

3. **Deficiency Claims Waiver.** Upon the Effective Date, FNB hereby waives any and all claims against the Debtors and their estates, including any deficiency claim against the

Debtors and their respective estates, other than those amounts satisfied pursuant to the credit bid set forth in paragraph 2 herein, the setoff permitted pursuant to paragraph 4 herein, and any claim for cash management fees as set forth in paragraph 6 below.

4. **Debtors' Waiver of Rights with Respect to the Restricted Account.** Upon the Effective Date, the Debtors hereby waive any rights with respect to the Restricted Account, subject to paragraph 5 herein, and FNB is permitted and authorized to immediate effectuate a setoff of such funds.

5. **Settlement Payment.** To settle any and all claims for surcharge, or otherwise, FNB agrees to transfer \$20,000.00 from the Restricted Account prior to the setoff authorized herein at paragraph 4 to the Debtors' estates.

6. **Cash Management Fees.** The Debtors agree and acknowledge the ongoing fee schedule FNB charges post-bankruptcy for cash management services and FNB does not waive such fees and reserves all rights to assert any claim for unpaid fees to the Bankruptcy Court.

7. **Mutual Release.** In consideration of the actions set forth in this Agreement, and other valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the Parties, subject to the rights set forth herein, hereby fully release, acquit, and forever discharge each other, their divisions, agents, attorneys, representatives, employees, directors, and officers, (collectively with the Parties, the "Releasees") from any and all charges, complaints, claims, liabilities (including penalties and attorneys' fees), controversies, damages, actions, causes of action, suits, demands, costs, lawsuits, debts, and expenses of any nature whatsoever, known or unknown, foreseen or unforeseen, suspected or unsuspected, actual or contingent, liquidated or unliquidated, in law or in equity, arising out of or in any way relating to the Debtors' bankruptcies and bankruptcy estates (the "Released Claims") and covenant not to sue any of the Releasees, in any jurisdiction, for any Released Claims. The Parties agree that this Paragraph constitutes a waiver of any statutory provision, right or benefit of any state or territory of the United States or any jurisdiction, and any principle of common law, at law or in equity, that prohibits the waiver of unknown claims. For the avoidance of doubt, the release in this paragraph 7 includes a release of and a release by the Debtors' estates as well as the Debtors. The release provided by and through this paragraph shall in no release any of the Parties' rights, claims or defenses with respect to the Debtors' bank accounts with FNB.

8. **Governing Law.** This Agreement shall be governed by, enforced, and construed in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to its choice of law or conflicts of law principles.

9. **Venue and Jurisdiction.** The Parties consent to the exclusive jurisdiction of the Bankruptcy Court for any and all disputes arising from this Agreement.

[Signature Page(s) Follow]

IN WITNESS WHEREOF, this Agreement has been executed and delivered by Seller and Purchaser as of the date first above written.

Debtors:

**UNILIFE CORPORATION
UNILIFE CROSS FARM LLC
UNILIFE MEDICAL SOLUTIONS, INC.**

By: _____
Its: _____

FNB:

**FIRST NATIONAL BANK OF PENNSYLVANIA,
SUCCESSOR BY MERGER TO METRO BANK**

By: _____
Its: _____

EXHIBIT "A"

TO

SETTLEMENT AND RELEASE AGREEMENT

REAL ESTATE SALES AGREEMENT

This Real Estate Sale Agreement ("Agreement") is made and entered into as of August __, 2017 between UNILIFE CROSS FARM LLC, ("Seller"), and FIRST NATIONAL BANK OF PENNSYLVANIA, SUCCESSOR BY MERGER TO METRO BANK, or its assignee ("Purchaser").

RECITALS

A. Seller owns a certain parcel of real estate commonly known as 250 Cross Farm Lane, York, PA 17406, legally described in Exhibit A attached hereto ("Realty").

B. Seller is a debtor-in-possession in the United States Bankruptcy Court for the District of Delaware ("Bankruptcy Court") in the case styled In re: Unilife Corporation, et al.; Del. Bankr., Case No. 17-10805 (LSS) (Jointly Administered).

C. Pursuant to the Order Approving Private Sale of Certain Real Property Located in York, Pennsylvania, Free and Clear of All Liens, Claims, Rights, and Encumbrances and Release of Rights in Restricted Account ("Sale Order") [Doc. No. _____], the Bankruptcy Court approved the private sale of the Realty to the Purchaser in exchange of a *bona fide* credit bid of \$3,000,000.00 pursuant to 11 U.S.C. § 363(k) for the purchase of the Realty ("Credit Bid").

In consideration of the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, Seller and Purchaser agree as follows:

AGREEMENT

1. **Purchase and Sale.** Seller agrees to sell and Purchaser agrees to purchase the Realty, on the terms and conditions contained in this Agreement.

2. **Purchase Price.** The Purchase Price for the Realty ("Purchase Price") shall be in the form of the Credit Bid for Three Million Dollars and 00/100 (\$3,000,000.00).

3. **Seller's Deliveries.** Seller shall deliver the following to Purchaser through the Escrow on or before the Closing Date:

(a) **Deed.** A trustee deed ("Deed") conveying title to the Realty to Purchaser or a permitted assignee designated by Purchaser.

(b) **Bankruptcy Sale Order.** An order entered by the Bankruptcy Court conveying the Realty free and clear of all liens, claims and encumbrances to the Purchaser in a form and manner mutually acceptable to Seller and Purchaser ("Sale Order") overruling any and all objections to the sale, unless such objections or modifications are acceptable to Purchaser.

(c) **Other Documents.** Other documents and instruments reasonably required by Purchaser related to the maintenance and upkeep of the Realty and any improvements thereon.

4. **Purchaser's Deliveries.** Purchaser shall deliver such documents and instruments reasonably required by Seller necessary to consummate the transactions described in this Agreement.

5. **Seller's Representations and Warranties.** None.

6. **Purchaser's Representations and Warranties.** None.

7. **Closing.**

(a) Closing shall take place at a time mutually agreed to by the parties on or before August 31, 2017.

(b) At the closing of the transaction contemplated under this Agreement, Seller shall convey to Purchaser fee simple title to the Realty by recording the Deed.

(c) **Closing Costs.** None.

[Signature Pages Follow]

IN WITNESS WHEREOF, this Agreement has been executed and delivered by Seller and Purchaser as of the date first above written.

Seller: **UNILIFE CROSS FARM LLC**

By: _____
Its: _____

Purchaser: **FIRST NATIONAL BANK OF PENNSYLVANIA,
SUCCESSOR BY MERGER TO METRO BANK**

By: _____
Its: _____

EXHIBIT A
MORTGAGED PREMISES

All that certain tract of land situate in the Township of Conewago, County of York, Commonwealth of Pennsylvania, being a portion of lands now or formerly owned by Dale R. and Phyllis L. Clymer, by Deed Book 82M, Page 764, being known as Lot 1A as shown on a Subdivision Plan, recorded at the Office of the Recorder of Deeds for York County, Commonwealth of Pennsylvania, in Deed Book 1792, page 6035, prepared by First Capital Engineering; drawing number 12135SD00, for Greenspring Partners, LP, said tract being more fully bounded and described as follows, to wit: BEGINNING at a point in the centerline of Susquehanna Trail (Township Road T-956) having a legal right-of-way of eighty and zero hundredths feet (80.00 ft.), said point being the intersection of the centerline of Susquehanna Trail (T-956) and the centerline of Cross Farm Lane (to be constructed and to have a right-of-way of sixty and zero hundredths feet (60.00 ft);

THENCE by the centerline of Susquehanna Trail (T-956) and on a curve to the left having a radius of one thousand, four-hundred thirty-eight and thirteen hundredths feet (1,438.13 ft.), an arc length of one and thirty-six hundredths feet (1.36 ft), a chord bearing of South one degree, twenty-two minutes, and twenty-one seconds West (S 01° 22' 21"W), and a chord length of one and thirty-six hundredths feet (1.36 ft.) to a point;

THENCE continuing by the centerline of Susquehanna Trail (T-956) South zero degrees, forty-four minutes and fifty-two seconds West (S 00° 44' 52" W), eighty-seven, and seventy-four hundredths feet (87.74 ft.) to a point;

THENCE leaving Susquehanna Trail (T-956) in a Westerly direction along lands now or formerly belonging to Richard C. and Patty L. Knisely North eighty-eight degrees twenty-four minutes, and fifteen seconds West (N 88° 24' 15" W) four-hundred two and forty-two hundredths feet (402.42 ft.) to a concrete monument;

THENCE continuing by the Knisely property on the Southwestern course of South twenty-five degrees, fifty-eight minutes, and six seconds West (S 25° 58' 06" W), one-hundred sixty-seven and seventy-four hundredths feet (167.74 ft.) to a concrete monument being the common corner of the aforesaid Knisely lands and property now or formerly belonging to Gerald R. Horst;

THENCE along the Horst property the following three (3) courses and distances:

1. South twenty-six degrees, two minutes, and, twenty-eight seconds West (S 26° 02' 28" W), one thousand, seven-hundred twelve and fifty-nine hundredths feet (1,712.59 ft.) to a concrete monument;

2. North fifty-five degrees, fifteen minutes, and thirty-eight seconds West (N 55° 15' 38" W); three hundred sixteen and eighty-four hundredths feet (316.84 ft.) to a concrete monument;
and

3. South thirty-five degrees, twenty-nine minutes, and fifty-two seconds West (S 35° 29'

52" W), four hundred twenty-five and nine hundredths feet (425.09 ft.) to a concrete monument at the common corner of lands of the aforementioned Gerald R. Horst and lands now or formerly belonging to Wellington Investment Group LLC;

THENCE in a Northwesterly direction along the property of Wellington Investment Group, LLC and lands now or formerly belonging to Scott T. and Tracey Helland North thirty-three degrees, twenty-five minutes and forty-three seconds West (N 33° 25' 43" W), six-hundred twenty and fifty-one hundredths feet (620.51 ft.) to a concrete monument being a common corner of lands now or formerly of the aforesaid Helland property and lands of Dale R. and Phyllis L. Clymer;

THENCE along the property of Dale R. and Phyllis L. Clymer the next two (2) courses and distances:

1. North eighteen degrees, six minutes, and thirty-four seconds West (N 18° 06' 34" W), four-hundred eighty-eight and zero hundredths feet (488.00 ft) to a concrete monument; and

2. North twelve degrees, twelve minutes and forty-eight seconds East (N 12° 12' 48"E), two-hundred seven and ninety-four hundredths feet (207.94 ft) to a point on the centerline of the aforementioned proposed Cross Farm Lane;

THENCE by the centerline of the proposed Cross Farm Lane the following five (5) courses and distances:

1. South seventy-seven degrees, forty-seven minutes and twelve seconds East (S 77° 47' 12" E), one hundred twenty-one and seventy-eight hundredths feet (121.78 ft.) to a point;

2. On a curve to the left having a radius of two-hundred and zero hundredths feet (200.00 ft.), an arc length of one-hundred forty-one and ninety-nine hundredths feet (141.99 ft.), a chord bearing of North eighty-one degrees, fifty-two minutes, and thirty-one seconds East (N 81° 52' 31" E), and a chord length of one-hundred thirty-nine and two hundredths feet (139.02 ft.) to a point;

3. North sixty-one degrees, thirty-two minutes and fourteen seconds East (N 61° 32' 14" E), one thousand, four hundred ninety-two and fifty-eight hundredths feet (1,492.58 ft.) to a point;

4. On a curve to the right having a radius of four-hundred fifty and zero hundredths feet (450.00 ft.), an arc length of two-hundred thirty-six and seventy-two hundredths feet (236.72 ft.), a chord bearing of North seventy-six degrees, thirty-six minutes, and twenty-six seconds East (N 76° 36' 26"E), and a chord length of two-hundred thirty-four and zero hundredths feet (234.00 ft.) to a point; and

5. South eighty-eight degrees, nineteen minutes, and twenty-one seconds East (S 88°, 19' 21" E), three hundred eighty-nine and nineteen hundredths feet (389.19 ft.) to the POINT OF BEGINNING EXCEPTING AND RESERVING to Metropolitan Edison a right-of-way easement of two-hundred and zero hundredths feet (200,00 ft.) in width as described in Deed Book 57-I, page 348. Also excepting and reserving to Edison Light and Power Company two (2)

right-of-way easements, one of twelve and zero hundredths feet (12.00 ft.) in width as described in Deed Book 30-W page 149 (in favor of Parcel 103G), and the other of twenty and zero hundredths feet (20.00 ft.) in width as described in Deed Book 33-B page 80.

LOT 1A also contains a twenty and zero hundredths (20.00 ft.) in width proposed sanitary sewer easement.

CONTAINING 38.155 acres (Gross); 36.417 acres (Net).

BEING Tax Parcel 23-000-MH-0095G

BEING the same premises which Greenspring Partners, LP, a limited partnership, by Deed dated 11/16/2009 and recorded 11/24/2009 in York County at Record Book 2052, Page 4541, granted and conveyed unto Unilife Cross Farm LLC, a Delaware limited liability company, in fee.

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

In re:	)	Chapter 11
)	
UNILIFE CORPORATION, <i>et al.</i> , ¹	)	Case No. 17-10805 (LSS)
	)	(Jointly Administered)
Debtors.)	
	)	Hearing Date: August 28, 2017 at 3:00 (ET)
	)	Objection Deadline: August 21, 2017 at 4:00 p.m. (ET)

NOTICE OF DEBTORS’ MOTION FOR ORDER APPROVING PRIVATE SALE OF CERTAIN REAL PROPERTY LOCATED IN YORK, PENNSYLVANIA, FREE AND CLEAR OF ALL LIENS, CLAIMS, RIGHTS, AND ENCUMBRANCES AND RELEASE OF RIGHTS IN RESTRICTED ACCOUNT

PLEASE TAKE NOTICE that Unilife Corporation, Unilife Medical Solutions, Inc., and Unilife Cross Farm LLC (collectively, the “Debtors”), as debtors-in-possession, have filed the attached **Motion for an Order Approving Private Sale of Certain Real Property Located in York, Pennsylvania, Free and Clear of all Liens, Claims, Rights, and Encumbrances and Release of Rights in Restricted Account** (the “Motion”) with the United States Bankruptcy Court for the District of Delaware (the “Court”).

PLEASE TAKE FURTHER NOTICE that any objections to the relief requested in the Motion must filed on or before **August 21, 2017 at 4:00 p.m. (ET)** (the “Objection Deadline”) with the United States Bankruptcy Court for the District of Delaware, 3rd Floor, 824 N. Market Street, Wilmington, Delaware 19801. At the same time, you must also serve a copy of any objection upon the undersigned counsel to the Debtors so as to be received on or before the Objection Deadline.

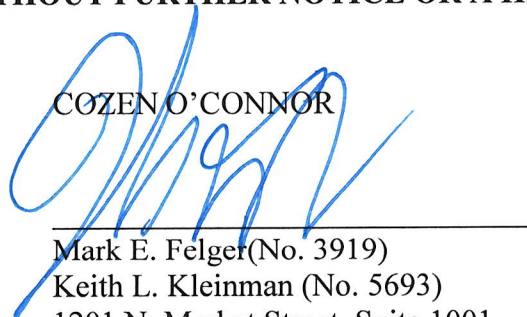
¹ The Debtors in these Chapter 11 cases are the following entities (the last four digits of each Debtor’s respective federal tax identification number, if any, follow in parentheses): Unilife Corporation (9354), Unilife Medical Solutions, Inc. (9944), and Unilife Cross Farm LLC (3994) (collectively, the “Debtors”). The Debtors’ corporate headquarters and the mailing address for each Debtor is 250 Cross Farm Lane, York, PA 17406.

PLEASE TAKE FURTHER NOTICE THAT A HEARING TO CONSIDER THE MOTION WILL BE HELD ON AUGUST 28, 2017 AT 3:00 P.M. (ET) BEFORE THE HONORABLE LAURIE SELBER SILVERSTEIN, IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 N. MARKET STREET, 6TH FLOOR, COURTROOM #2, WILMINGTON, DELAWARE 19801.

PLEASE TAKE FURTHER NOTICE THAT IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OR A HEARING.

Dated: August 7, 2017

COZEN O'CONNOR



Mark E. Felger (No. 3919)
Keith L. Kleinman (No. 5693)
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Wilmington, DE 19801
Telephone: (302) 295-2000
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kkleinman@cozen.com

*Counsel for the Debtors and
Debtors-in-Possession*

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

In re:) Chapter 11
UNILIFE CORPORATION, *et al.*,¹) Case No. 17-10805 (LSS)
Debtors.) (Jointly Administered)
) **Related Docket No. _____**

**ORDER APPROVING PRIVATE SALE OF CERTAIN REAL
PROPERTY LOCATED IN YORK, PENNSYLVANIA, FREE AND
CLEAR OF ALL LIENS, CLAIMS, RIGHTS AND ENCUMBRANCES
AND RELEASE OF RIGHTS IN RESTRICTED ACCOUNT**

Upon consideration of the *Motion for Order Approving Private Sale of Certain Real Property Located in York, Pennsylvania, Free and Clear of all Liens, Claims, Rights and Encumbrances and Release of Rights in Restricted Account* (the “Sale Motion”)² filed by Unilife Corporation (“Unilife”), Unilife Medical Solutions, Inc. (“UMSI”), and Unilife Cross Farm, LLC (“Cross Farm”) (collectively, the “Debtors”), the Debtors in the above-captioned bankruptcy cases, which requests, among other things, entry of an order (this “Sale Order”) authorizing the sale of certain real property located in York, Pennsylvania (the “Property”) to First National Bank of Pennsylvania, successor by merger with Metro Bank (the “Buyer”), free and clear of all Interests and the release of any of the Debtors’ rights in a certain restricted bank account (the “Sale”); it appearing that the relief requested in the Sale Motion is in the best interests of the Debtors’ estates, their creditors, and other parties in interest; it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the *Amended Standing Order of Reference from the United*

¹ The Debtors in these chapter 11 cases are the following entities (the last four digits of each Debtor’s respective federal tax identification number, if any, follow in parentheses): Unilife Corporation (9354), Unilife Medical Solutions, Inc. (9944), and Unilife Cross Farm LLC (3994). The Debtors’ corporate headquarters and the mailing address for each Debtor is 250 Cross Farm Lane, York, PA 17406.

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

States District Court for the District of Delaware, dated February 29, 2012; and it appearing that the Sale Motion is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); this Court having found that it may enter a final order consistent with Article III of the United States Constitution; this Court having found that venue of this proceeding and the Sale Motion in this District is proper pursuant to 28 U.S.C. § 1408; adequate notice of the Sale Motion and opportunity for objection having been given; this Court having reviewed and considered the Sale Motion and any objections thereto; this Court having heard statements of counsel and the evidence presented in support of the relief requested by the Debtors in the Sale Motion at a hearing before this Court (the “Sale Hearing”); upon the full record of these chapter 11 cases; it appearing that no other notice need be given; it further appearing that the legal and factual bases set forth in the Sale Motion and the record made at the Sale Hearing establish just cause for the relief granted herein; and after due deliberation and sufficient cause therefor:

THE COURT FINDS AND DETERMINES THAT:

Jurisdiction, Final Order, and Statutory Predicates

A. The findings and conclusions set forth in here constitute the Court’s findings of fact and conclusions of law pursuant to Rule 7052 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent that any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, date February 29, 2012.

C. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). The Debtors have confirmed their consent, pursuant to Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), to the entry of a final order by this Court in connection with the Sale Motion, to the extent that it is later determined that the Court, absent the consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

D. Venue is proper in this District pursuant to 28 U.S.C. § 1408.

E. The bases for the relief requested in this Sale Order are sections 105(a), 363, 365, 503(b), and 507(a)(2) of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), Bankruptcy Rules 2002, 6004, and 6006(a), and Local Rules 2002-1, 6004-1, and 9013-1(m).

F. This Sale Order constitutes a final order within the meaning of 28 U.S.C. § 158(a). Notwithstanding Bankruptcy Rules 6004(h) and 6006(d), and 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, waives any stay expressly directs entry of judgment as set forth herein.

Retention of Jurisdiction

G. It is necessary and appropriate for the Court to retain jurisdiction to, among other things, interpret, implement, and enforce the terms and provisions of this Sale Order and the Sale Agreement, including its related documents, all amendments thereto and any waivers and consents thereunder and each of the agreements executed in connection therewith to which any of the Debtors are a party or which has been assigned by the Debtors to the Buyer, and to adjudicate, if

necessary, any and all disputes involving the Debtors concerning or relating in any way to, or affecting, the Sale or the transactions contemplated in the Sale Agreement, and related documents.

Notice

H. Actual written notice of the Sale Motion, the Sale Hearing, the Sale, and the transactions contemplated thereby, and a reasonable opportunity to object or be heard with respect to the Sale Motion and the relief requested therein, has been afforded to all known interested entities and parties, including, without limitation, the following entities and parties: (a) the Office of the United States Trustee, (b) counsel for the official committee of unsecured creditors, (c) the Buyer, (d) any creditors (other than the Buyer) identified as secured in the title report(s) for the Property or in UCC searches conducted with respect to the Debtor, (e) the U.S. Department of Agriculture, (f) local taxing authorities for the State of Pennsylvania and York County, and (g) all parties in interest who requested notice pursuant to Bankruptcy Rule 2002 (collectively, the “Notice Parties”). Such notice provided all interested parties with timely and proper notice of the Sale Motion, the Sale, and the Sale Hearing.

I. The Debtors have articulated good and sufficient reasons for this Court to grant the relief requested in the Sale Motion.

J. As evidenced by the affidavits of service, proper, timely, adequate, and sufficient notice of the Sale Motion, the Sale Hearing, the Sale, and the transactions contemplated thereby has been provided in accordance with sections 105(a), 363, and 365 of the Bankruptcy Code and Bankruptcy Rules 2002, 6004, 6006, 9007, 9008, and 9014. The notice described herein was good, sufficient, and appropriate under the circumstances, and no other or further notice of the Sale Motion, the Sale Hearing, and the Sale to the Buyer is or shall be required.

K. The disclosures made by the Debtors concerning the Sale Motion, the Sale Agreement, the Sale Hearing, and the Sale to the Buyer were good, complete, and adequate.

L. A reasonable opportunity to object and be heard with respect to the Sale and the Sale Motion, and the relief requested therein has been afforded to all interested persons and entities, including the Notice Parties.

Good Faith of the Buyer

M. As demonstrated by the representations of counsel and other evidence proffered or adduced at the Sale Hearing, the Debtors and their advisors marketed the Property to secure the highest and best offer. The terms and conditions set forth in the Sale Agreement are fair, adequate and reasonable, including the amount of the Purchase Price, which is found to constitute reasonably equivalent and fair value.

N. The Buyer is not an “insider” of the Debtors, as that term is defined in section 101(31) of the Bankruptcy Code. No officer, director, manager, or other insider of the Debtors holds any interest in or is otherwise related to the Buyer.

O. The Debtors and the Buyer extensively negotiated the terms and conditions of the Sale Agreement in good faith and at arm’s length. The Buyer is purchasing the Property and has entered into the Sale Agreement in good faith and is a good faith buyer within the meaning of section 363(m) of the Bankruptcy Code, and is therefore entitled to the full protection of that provision, and otherwise has proceeded in good faith in all respects in connection with this proceeding in that, *inter alia*: (i) the Buyer recognized that the Debtors were free to deal with any other party interested in purchasing the Property; (ii) all payments to be made by the Buyer and other agreements or arrangements entered into by the Buyer in connection with the Sale have been disclosed; (iii) the Buyer has not violated section 363(n) of the Bankruptcy Code by any action or inaction; (iv) no common identity of directors or controlling stockholders exists between the Buyer

and the Debtors; and (v) the negotiation and execution of the Sale Agreement was at arm's length and in good faith.

P. Neither the Debtors nor the Buyer has engaged in any conduct that would cause or permit the Sale Agreement to be avoided under section 363(n) of the Bankruptcy Code. The Debtors and the Buyer were represented by their own respective counsel and other advisors during such arm's length negotiations in connection with the Sale Agreement and the Sale.

Q. No party has objected to the Sale or the Sale Agreement, on the grounds of fraud or collusion.

R. Accordingly, the Buyer is purchasing the Property in good faith and is a good-faith buyer within the meaning of section 363(m) of the Bankruptcy Code. The Buyer is therefore entitled to all of the protections afforded under section 363(m) of the Bankruptcy Code.

Transfer of the Property

S. The Debtors are the sole and lawful owners of the Property. Subject to section 363(f) of the Bankruptcy Code (addressed below), the transfer of the Property to the Buyer will be, as of the Closing Date, a legal, valid, and effective transfer of the Property, which transfer vests or will vest the Buyer with all right, title, and interest of the Debtors to the Property free and clear of any interest in such property of any entity other than the Debtors' estates (collectively, the "Interests"), including, without limitation: (a) all liens and encumbrances relating to, accruing, or arising at any time prior to the Closing date (collectively, the "Liens"); and (c) all debts arising under, relating to, or in connection with any act of the Debtors or any claims (as defined in section 101(5) of the Bankruptcy Code), liabilities, obligations, demands, guarantees, options in favor of third parties, rights, contractual commitments, restrictions, interests, and matters of any kind and nature, whether arising prior to or subsequent to the commencement of these chapter 11 cases, and

whether imposed by agreement, understanding, law, equity, or otherwise (collectively, the “Claims”).

Section 363(f) Is Satisfied

T. The conditions of section 363(f) of the Bankruptcy Code have been satisfied in full; therefore, the Debtors may sell the Property free and clear of any Interests in the Property.

Sound Business Purpose for the Sale

U. Good and sufficient reasons for approval of the Sale Agreement and the Sale have been articulated. The relief requested in the Sale Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest.

V. The Debtors have demonstrated both (a) good, sufficient, and sound business purposes and justifications for approving the Sale Agreement and (b) compelling circumstances for the sale outside the ordinary course of business, pursuant to section 363(b) of the Bankruptcy Code before, and outside of, a plan of reorganization, in that, among other things, the immediate consummation of the Sale to the Buyer is necessary and appropriate to maximize the value of the Debtors’ estates, and the Sale will provide the means for the Debtors to maximize distributions to creditors.

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

General Provisions

1. **Relief Granted.** The relief requested in the Sale Motion and the transactions contemplated thereby and by the Sale Agreement are approved for the reasons set forth in this Sale Order and on the record of the Sale Hearing, which is incorporated herein as if fully set forth in this Sale Order. Without limiting the foregoing, the provision in the Sale Agreement for the

Debtors' waiver of any claim or interest in the Deposit Account held at FNB is hereby approved, as are the provisions in the Sale Agreement providing for mutual releases of the parties.

2. **Objections Overruled.** All objections to the Sale Motion and the relief requested therein that have not been withdrawn, waived, or settled by announcement to the Court during the Sale Hearing or by stipulation filed with the Court, including, without limitation, any and all reservations of rights included in such objections or otherwise, are hereby denied and overruled on the merits, with prejudice. Those parties who did not object, or withdrew their objections, to the Sale Motion are deemed to have consented pursuant to section 363(f)(2) of the Bankruptcy Code.

3. **Sale Order and Sale Agreement Binding on All Parties.** This Sale Order and the Sale Agreement shall be binding in all respects upon all creditors of and holders of equity interests in the Debtors (whether known or unknown), agents, trustee and collateral trustees, holders of Interests in, against, or on the Property, or any portion thereof, all Contract Counterparties and any other non-Debtor parties to any contracts with any of the Debtors (whether or not assigned), all successors and assigns of the Debtors, and any subsequent trustees appointed in these bankruptcy cases or upon a conversion of these bankruptcy cases to one or more cases under chapter 7 of the Bankruptcy Code and shall not be subject to rejection or unwinding. Nothing in any chapter 11 plan confirmed in these bankruptcy cases, the confirmation order confirming any such chapter 11 plan, any order approving the wind down or dismissal of these bankruptcy cases, or any order entered upon the conversion of these bankruptcy cases to one or more cases under chapter 7 of the Bankruptcy Code or otherwise shall conflict with or derogate from the provisions of the Sale Agreement or this Sale Order.

Approval of the Sale Agreement

4. **Sale Agreement Approved.** The Sale Agreement and all other ancillary documents, and all of the terms and conditions thereof, are hereby approved.

5. **Authorization to Consummate Transactions.** Pursuant to sections 363(b) and (f) of the Bankruptcy Code, the Debtors are authorized, empowered, and directed to use their reasonable best efforts to take any and all actions necessary or appropriate to (a) consummate the Sale pursuant to and in accordance with the terms and conditions of the Sale Agreement, (b) close the Sale as contemplated in the Sale Agreement and this Sale Order, and (c) execute and deliver, perform under, consummate, implement, and fully close the Sale Agreement, together with additional instruments and documents that may be reasonably necessary or desirable to implement the Sale Agreement and the Sale.

Transfer of the Property

6. **Transfer of the Property Authorized.** Pursuant to sections 105(a), 363(b), and 363(f) of the Bankruptcy Code, the Debtors are authorized and directed to use reasonable best efforts to transfer the Property to the Buyer on or as soon as reasonably practicable after the Closing date, and such transfer shall constitute a legal, valid, binding, and effective transfer of such Property and shall vest the Buyer with title to the Property.

7. **Transfer Free and Clear of Interests.** Upon the Debtors' receipt of the Purchase Price, transfer of the Property to the Buyer shall be free and clear of all Interests of any kind or nature whatsoever, including, without limitation, (a) successor or successor-in-interest liability, (b) Claims, and (c) any and all Contracts not assumed and assigned to the Buyer pursuant to the terms of the Sale Agreement, with all such Interests to attach to the cash proceeds ultimately attributable to the property against, or in, which such Interests are asserted, subject to the terms

thereof, with the same validity, force, and effect, and in the same order of priority, which such Interests now have against the Property, subject to any rights, claims, and defenses that the Debtors or their estates, as applicable, may possess with respect thereto.

8. **Recording Offices and Releases of Interests.** On the Closing Date, this Sale Order shall be construed and shall constitute for any and all purposes a full and complete assignment, conveyance and transfer of the Property or a bill of sale transferring good and marketable title of the Property to the Buyer. This Sale Order is and shall be effective as a determination that, on the Closing Date, all Interests of any kind or nature whatsoever existing as to the Property prior to the Closing date, other than as otherwise provided in this Sale Order, shall have been unconditionally released, discharged, and terminated, and that the conveyances described herein have been affected. This Sale Order is and shall be binding upon and govern the acts of all persons, including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal and local officials, and all other persons who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any lease; and each of the foregoing persons is hereby directed to accept for filing any and all of the documents and instruments necessary and appropriate to consummate the transactions contemplated by the Sale Agreement. Each and every federal, state, and local governmental agency or department is hereby directed to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the Sale Agreement. A certified copy of this Sale Order may be: (a) filed with

the appropriate clerk; (b) recorded with the recorder; and/or (c) filed or recorded with any other governmental agency to act to cancel any Interests against the Property.

Other Provisions

9. **Effective Immediately.** For cause shown, pursuant to Bankruptcy Rules 6004(h), 6006(d), and 7062(g), this Sale Order shall not be stayed and shall be effective immediately upon entry, and the Debtors and the Buyer are authorized to close the Sale immediately upon entry of this Sale Order. The Debtors and the Buyer may consummate the Sale Agreement at any time after entry of this Sale Order by waiving any and all closing conditions set forth in the Sale Agreement that have not been satisfied and by proceeding to close the Asset Sale without any notice to the Court, any pre-petition or post-petition creditor of the Debtors and/or any other party in interest.

10. **Access to Books and Records.** Following the Closing of the Sale, the Debtors shall have, and the Buyer shall provide, reasonable access to their books and records, to the extent they are located at the Property.

11. **Authorization to Effect Order.** The Debtors are authorized to take all actions necessary to effect the relief granted pursuant to this Sale Order in accordance with the Sale Motion.

12. **Automatic Stay.** The automatic stay pursuant to section 362 of the Bankruptcy Code is hereby modified, lifted and annulled with respect to the Debtors and the Buyer to the extent necessary, without further order of this Court, to (a) allow the Buyer to deliver any notice provided

for in the Sale Agreement and (b) allow the Buyer to take any and all actions permitted under the Sale Agreement in accordance with the terms and conditions thereof.

Dated: August __, 2017

Honorable Laurie Selber Silverstein
United States Bankruptcy Judge