
J. Craig Whitley
United States Bankruptcy Judge

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION**

IN RE:

**DESIGNLINE CORPORATION,

DEBTOR.**

**CASE NO. 13-31943
CHAPTER 11**

IN RE:

**DESIGNLINE USA, LLC,

DEBTOR.**

**CASE NO. 13-31944
CHAPTER 11
(JOINTLY ADMINISTERED)**

**ORDER AUTHORIZING THE SALE OF PROPERTY FREE AND CLEAR OF LIENS
UNDER BANKRUPTCY CODE § 363**

THIS MATTER comes before the Court on the Motion for Order (1) Approving Auction and Bidding Procedures in Connection with the Sale of Substantially all of the Debtors' Assets, (ii) Authorizing, but not Requiring, Entry into a Stalking Horse Agreement and Approving Stalking Horse Protections, (III) Approving Procedures Related to the Assumption and Assignment of Executory Contracts and Unexpired Leases, (IV) Scheduling Auction and Sale Approval Hearing, and (V) Approving the Form and Manner of the Sale Notice (the "Sale Procedure Motion") filed with the Court on September 25, 2013 by the above-captioned debtors-in-possession in these jointly-administered Chapter 11 cases (the "Debtors"). The Debtors conducted an auction of their assets on October 28, 2013, and seek entry of an order approving

the sale to the higher bidder or the back-up bidders. An objection to approval of the sale was filed by the Unsecured Creditors Committee on October 29, 2013. Following a review of the record, the objection, evidence and arguments of counsel, the Court finds as follows:

1. This Court has jurisdiction to consider the Motion under 28 U.S.C. §§ 157 and 1334. This is a core proceeding under 28 U.S.C. § 157(b). Venue of these cases and the Motion in this District is proper under 28 U.S.C. §§ 1408 and 1409.

2. In accordance with the Court's *Order (I) Approving Auction And Bidding Procedures In Connection With The Sale Of Substantially All Of The Debtors' Assets, (II) Authorizing, But Not Requiring, Entry Into A Stalking Horse Agreement And Approving Stalking Horse Protections, (III) Approving Procedures Related To The Assumption And Assignment Of Executory Contracts And Unexpired Leases, (IV) Scheduling Auction And Sale Approval Hearing, And (V) Approving The Form And Manner Of The Sale Notice*, dated October 7, 2013 (the "Sale Procedures Order"), the Debtors served notice of the Motion, the Bidding Procedures, the opportunity to submit Qualified Bids,¹ the deadline to object to the Court's entry of an order granting the Motion, and the date and time of the final hearing on the Motion on all parties required to receive such notice under the Sale Procedures Order. The notice provided was adequate under Bankruptcy Rules 2002, 6004, and 6006 and the circumstances of these cases, no additional notice is necessary.

3. The Debtors received Qualified Bids, as to some or all assets of the Debtors, from the following entities (together, the "Qualified Bidders"):

- a. Wonderland Investment Group, Inc.;
- b. Transportation Design Center, S.A. de C.V.;
- c. Wrightspeed, Inc.;
- d. PPL Group, LLC & Tiger Valuation Services;

¹ Capitalized terms used but not defined in this Order have the meanings given to them in the Sale Procedures Order or the Motion.

e. Heritage Global LLC, Maynard Industries (1991) Inc. and BidItUp Auctions Worldwide, Inc.;

f. Hilco Industrial, LLC, and Reech Bros., LLC; and

g. Great American Global Partners, LLC.

4. The Debtors conducted the Auction among the Qualified Bidders in accordance with the Sale Procedures Order, and the Debtors identified the bid submitted by Wonderland Investment Group, Inc. or its assignee (the “Buyer”) as the highest and best bidder for the Assets, as described at the Auction and further defined in the Asset Purchase Agreement entered with the Buyer (the “APA”). The executed APA is attached to this Order. It also identifies certain Excluded Assets, including any executory contracts or accounts receivable of the Debtors, as announced at the Auction.

5. The next highest bidders for the Assets were (i) Great American Global Partners, LLC, which bid \$1,125,000 for the Debtors' equipment, inventory and office equipment and furniture, including inventory in transit, and (ii) the Cyrus Entities which credit bid \$475,000 of its \$1.5 million post-petition financing for the Debtors' intellectual property (the “Back-Up Bidders”).

6. The Auction provided all entities a full and fair opportunity to make a higher or otherwise better offer to purchase the Assets under the circumstances.

7. The Court considered the Motion and conducted a hearing (the “Sale Hearing”) on October 29, 2013 at which statements of counsels for the Debtors, the Committee, the Cyrus Entities, as well as several executory contract parties, were heard.

8. Debtors’ counsel announced that First Citizens Bank may hold a perfected lien on a server on the Debtors' premises, and rather than disrupt the distribution of proceeds set forth in ordering paragraph 12, the Buyer agreed to release the server from the APA.

9. The Debtors have identified, and the Court recognizes, the Buyer as the Successful Bidder for the Assets in accordance with the Sale Procedures Order. The Buyer’s bid is the highest and best bid for the Assets. With the entry of this Order, the Buyer’s bid has

no material unsatisfied conditions, is not subject to significant execution risk, and will be able to close by or before the deadline for closing established in this Order.

10. The transactions contemplated in the APA and this Order (the “Transaction”), including a sale of the Assets to the Buyer, are in the best interests of the estates and creditors.

11. The Debtors have demonstrated sufficient and sound business justifications and compelling circumstances for the sale of the Assets other than in the ordinary course of the Debtors’ business under Bankruptcy Code § 363(b) before, and outside of, a plan of reorganization because, among other things, the immediate consummation of the Transaction with the Buyer is necessary and appropriate to maximize the value of the estates. Entry of an order in the form and substance of this Order is a necessary condition precedent to the Buyer’s consummating the Transaction.

12. The Buyer and the Debtors negotiated the sale of the Assets without collusion, in good faith, and at arm’s length. The Buyer is, therefore, entitled to the protections afforded under Bankruptcy Code § 363(m). There was no agreement among the Buyer, any of the Qualified Bidders, and any other potential bidder for the Assets, to control the price to be paid for the Assets under the Motion. Accordingly, nothing would cause the sale authorized by this Order to be avoided under Bankruptcy Code § 363(n).

13. The consideration to be paid by the Buyer constitutes reasonably equivalent value or fair consideration as those terms are defined in the Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, and Bankruptcy Code § 548.

14. The Debtors are the sole, lawful owners of the Assets. The transfer of the Assets to the Buyer under the APA will be a legal, valid, and effective transfer of the Assets, vesting the Buyer with all title to the Assets free and clear of all liens, claims (as defined in Bankruptcy Code § 101(5)), encumbrances, obligations, liabilities, contractual commitments, or interests of any kind (collectively, the “Interests”), including without limitation (i) an Interest that purports to give a party a right to forfeit, modify, or terminate the Debtors’ interests in the Assets, or any similar right, (ii) an Interest that purports to attach liability under the WARN Act against one or

more of the Debtors; and (iii) an Interest relating to taxes arising under or out of, in connection with, or in any way relating to the operation of the Debtors' business before the closing of the sale authorized in this Order. All Interests attach to the proceeds attributable to the property against or in which those Interests are asserted, subject to the terms of those Interests, with the same validity and in the same priority that those Interests now have against the Assets or their proceeds, subject to any rights, claims, and defenses the Debtors or their estates may have.

15. On October 24, 2013, this Court entered an Order Approving (A) The Proposed Sale of Substantially all Assets of the Debtors Free and Clear of Liens, Claims and Encumbrances and other Interests and (B) Assumption, Assignment and Sale of Certain Executory Contracts and Leases. As provided in that Order, the Debtors may sell the Assets free and clear of all Interests because, with respect to each Interest, one or more of the standards set forth in Bankruptcy Code § 363(f)(1)-(5) is satisfied. Each entity asserting an Interest in the Assets: (i) has, subject to the terms and conditions of this Order, consented or is deemed to have consented to the sale of the Assets; (ii) has an Interest that is subject to bona fide dispute; (iii) could be compelled in a legal or equitable proceeding to accept money satisfaction of its Interest; or (iv) otherwise falls within the provisions of Bankruptcy Code § 363(f). Those holders of Interests who did not timely object to the Motion are deemed, subject to the terms of this Order, to have consented under Bankruptcy Code § 363(f)(2). All holders of Interests are adequately protected by having their Interests attach to the proceeds ultimately attributable to the property against or in which their Interests are asserted.

16. The Transaction does not include the Debtors' assumption and assignment of any executory contracts or leases. However, as set forth in the APA, the Debtors will discuss with the Buyer the Buyers' future desire to assume or reject any contracts that the Buyer determines it would like to assume.

17. Good cause appears for granting the relief requested in the Motion; now therefore
IT IS ORDERED AS FOLLOWS:

1. **Motion.** The Motion is GRANTED as provided in this Order.

2. **Objections.** Any objections to the relief requested in the Motion that have not been withdrawn, waived, or settled are overruled.

3. **Transaction Approved.** The APA and the Transaction are APPROVED as provided in this Order. The Debtors are authorized and directed to among other things: (a) execute the APA, a Bill of Sale and assignments of intellectual property; and (b) consummate the Transaction.

4. **Execution of Releases and Assignments.** Katie S. Goodman of GGG Partners, the appointed Chief Restructuring Officer of the Debtors is authorized to execute any appropriate transfer documents on behalf of the Debtors, including but not limited to, the UCC termination statements, assignments of intellectual property and Bills of Sale.

5. **Sales Procedures Order.** The Sales Procedure Order will control, as will the APA, in the event the Buyer fails to close and the Back-Up Bidders purchase the Assets.

6. **Waiver of Stays.** The stays of this Order under Bankruptcy Rules 6004(h) and 6006(d) are waived. This Order is effective and enforceable immediately on entry.

7. **Free and Clear.** Except as may be expressly provided in the APA or this Order, the sale of the Assets to the Buyer is free and clear of all Interests under Bankruptcy Code § 363(f). All Interests are released, terminated, and discharged as to the Assets and the Buyer (and its successors and assigns). Any Interest, if valid, legal, and enforceable, attaches to, and is to be satisfied from, the proceeds of the sale in the same priority the Interest had before the sale.

8. **Valid, Enforceable Transfer.** The Transaction and the APA and all its related documents constitute a duly authorized, legally valid, and binding transfer, specifically performable and enforceable against, and not subject to rejection or avoidance by, the Debtors or any representative of the Debtors' estates under any chapter of the Bankruptcy Code. Every federal, state, and local governmental agency or department is directed to accept any document or instrument necessary and appropriate to consummate the transactions contemplated by this Order. The Transaction may not be avoided under Bankruptcy Code § 365(n).

9. **Good Faith.** The purchase of the Assets is undertaken by the Buyer in good faith, as that term is used in Bankruptcy Code §363(m). Accordingly, the reversal or modification on appeal of the authorization provided in this Order to consummate the Transaction will not affect the validity of the sale of the Assets to the Buyer, unless this Order is duly stayed pending such an appeal. The Buyer, as a purchaser in good faith of the Assets, is entitled to all protections afforded under Bankruptcy Code § 363(m).

10. **No Successor Liability.** Under no circumstance may the Buyer or any of its affiliates be deemed a successor of any one of the Debtors for any Interest in the Assets. Any person holding an Interest in any component of the Assets is permanently enjoined from asserting, prosecuting, or otherwise pursuing its Interest against the Buyer, its property, its affiliates, its successors, its assignees, its employees, its agents, or against the Assets with respect to that Interest. The provisions of this paragraph and all other provisions of this Order are intended to have effect in all federal, state, and local jurisdictions in the United States.

11. **Injunction.** On and after the closing of the Transaction, no holder of an Interest or any claim against any Debtor or its estate may interfere with Buyer's title to, or use and enjoyment of, the Assets. All entities, including without limitation the Debtors, their present and former employees, administrative agencies, governmental tax and regulatory authorities, secretaries of state, federal, state, and local officials, lenders, contract parties, bidders, lessors, warehousemen, customs brokers, freight forwarders, carriers, and other parties in possession of any Assets at any time, all creditors, and all other persons holding Interests of any kind arising under or out of, in connection with, or in any way relating to, the Debtors, the Assets, the operation of the Debtors' business before the closing of the Transaction, or with respect to any Interests arising out of or related to the Transaction, are forever barred and permanently enjoined from commencing, prosecuting, or continuing in any manner any action or other proceeding of any kind against the Buyer, its property, its successors and assigns, its employees and agents, its affiliates, or the Assets. Following the Closing Date, no holder of an Interest in the Debtors may

interfere in any way with the Buyers' title to or use and enjoyment of the Assets based on or related to such Interest, or any actions that the Debtors may take in these cases.

12. The proceeds from the sale of substantially all of the Assets will be immediately paid by the Debtors as follows:

- A. \$1,376,913.00 to the DIP Lenders to pay down the DIP Credit Facility;
- B. \$223,008.00 to the Specified Vehicle Lien Lenders in the following amounts:
Cyrus Opportunities Master Fund II, Ltd. - \$140,122.41; Crescent 1, Ltd. - \$46,707.47; Cyrus Select Opportunities Master Fund, Ltd. - \$25,476.80; GVP - \$5,022.69; Cyan Investments, LP- \$5,758.13.

13. **Licenses and Permits.** If any license or permit necessary for the operation of the acquired business is required, the Buyer must apply for and obtain any necessary license or permit promptly after the Transaction's closing.

14. **Subsequent Proceedings.** Nothing in any chapter 11 plan confirmed in the Debtors' cases, any order confirming any such plan, or any other order in these cases (including any order entered after any conversion of these cases into cases under chapter 7) may alter, conflict with, or derogate from the provisions of the APA or this Order.

15. **Retention of Jurisdiction.** This Court retains jurisdiction to enforce and implement the terms and provisions of this Order and any agreements or instruments executed in connection with this Order, including without limitation jurisdiction to resolve any disputes arising under or related to this Order and to interpret, implement, and enforce this Order's provisions.

*This Order has been signed electronically.
The Judge's signature and Court's seal
appear at the top of the Order.*

United States Bankruptcy Court

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**ASSET PURCHASE AGREEMENT OF WONDERLAND INVESTMENT GROUP, INC.
AFTER THE AUCTION HELD UNDER THE
BID PROCEDURES ORDER ENTERED OCTOBER 7, 2013**

ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT, effective as of October 29, 2013 (this “Agreement”), is by and between Wonderland Investment Group, Inc. or its assignee (“Purchaser”), and DesignLine USA, LLC and DesignLine Corporation, Inc. (“Sellers”).

W I T N E S S E T H:

WHEREAS, Sellers are debtors under title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. (the “Bankruptcy Code”) having filed petitions for relief under chapter 11 of the Bankruptcy Code on August 15, 2013 (the “Petition Date”); and

WHEREAS, the Sellers’ cases are pending in the United States Bankruptcy Court for the Western District of North Carolina (the “Bankruptcy Court”) (Cases No. 13-31943 and 13-31944) (the “Bankruptcy Case”);

WHEREAS, on October 1, 2013, Katie Goodman of GGG Partners was appointed Chief Restructuring Officer (“CRO”) of the Sellers;

WHEREAS, Sellers are a leading designer and manufacturer of electric, electric range extended, diesel and alternative fuel transit buses, and served the private transportation industry and public transportation authorities in the United States, Canada, the Middle East and Asia (the “Business”);

WHEREAS, Sellers desires to sell, transfer and assign to Purchaser, and Purchaser desires to purchase, acquire and assume from Sellers, pursuant to Section 363 and 365 of the Bankruptcy Code, all of the Purchased Assets and Assumed Liabilities, all as more specifically defined and provided herein; and

WHEREAS, the Bankruptcy Court has entered a Bid Procedures Order which sets for the requirements for a sale of the Purchased Assets and Assumed Liabilities, and this Asset Purchase Agreement is subject to the terms of the Bid Procedures Order; and

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter contained, and intending to be bound hereby, the parties hereby agree as follows:

ARTICLE I.

DEFINITIONS

1.1. Certain Definitions.

For purposes of this Agreement, the following terms shall have the meanings specified in this Section 1.1, in other Sections of this Agreement, as identified in the chart in Section 1.2, or in the Bid Procedures Order:

“Affiliate” means, with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person, and the term “control” (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by contract or otherwise. As used herein, Affiliate shall also mean all owners or directors or former directors of the Sellers, or the relatives of the owners or directors of the Sellers, and any entities under the direction or control of any owners or directors or former directors of the Sellers, or any insiders as that term is defined in the Bankruptcy Code.

“Avoidance Actions” means all avoidance actions or similar causes of action arising under sections 544 through 553 of the Bankruptcy Code, including any proceeds thereof.

“Bidding Procedures Order” means an Order entered by the Bankruptcy Court on October 7, 2013, Docket #149.

“Business Day” means any day of the year on which national banking institutions in North Carolina or New York are open to the public for conducting business and are not required or authorized to close.

“Business Office” means the office buildings currently used for the Business and located in Charlotte, NC.

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

“Contract” means any contract, indenture, note, bond, lease or other agreement.

“Documents” means all files, documents, instruments, papers, books, reports, records, tapes, microfilms, photographs, letters, budgets, forecasts, ledgers, journals, title policies, customer lists, regulatory filings, operating data and plans, technical documentation (design specifications, functional requirements, operating instructions, logic manuals, flow charts, etc.), user documentation (installation guides, user manuals, training materials, release notes, working papers, etc.), marketing documentation (sales brochures, flyers, pamphlets, web pages, etc.), and other similar materials related to the Business and the Purchased Assets and existing on the Closing Date, in each case whether or not in electronic form.

“Employees” means all individuals, as of the date hereof, whether or not actively at work as of the date hereof, who are employed by Sellers in connection with the Business, together with individuals who are hired in respect of the Business after the date hereof and prior to the Closing.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“Excluded Matter” means the effect of (i) any change in the United States or foreign economies or financial markets in general; (ii) any change arising in connection with earthquakes, hostilities, acts of war, sabotage or terrorism or military actions or any escalation

or material worsening of any such hostilities, acts of war, sabotage or terrorism or military actions existing or underway as of the date hereof; (iii) any change in applicable Laws or accounting rules; (iv) any effect resulting from the public announcement of this Agreement, compliance with terms of this Agreement or the consummation of the transactions contemplated by this Agreement.

“Governmental Body” means any government or governmental or regulatory body thereof, or political subdivision thereof, whether foreign, federal, state, or local, or any agency, instrumentality or authority thereof, or any court or arbitrator (public or private).

“Hardware” means any and all computer and computer-related hardware, including, but not limited to, computers, file servers, facsimile servers, scanners, color printers, laser printers and networks.

“Income Taxes” means Taxes payable in respect of or measured by a Sellers’s net income (whether determined or assessed individually or on a consolidated basis).

“IRS” means the Internal Revenue Service.

“Law” means any federal, state, local or foreign law, statute, code, ordinance, rule or regulation or common law requirement.

“Legal Proceeding” means any judicial, administrative or arbitral actions, suits, proceedings (public or private) or claims or any proceedings by or before a Governmental Body.

“Liability” means any debt, liability or obligation (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, or due or to become due), and including all costs and expenses relating thereto.

“Lien” as applied to any Person means any lien, encumbrance, pledge, mortgage, deed of trust, security interest, claim, lease, charge, option, or any other right of a third party in respect of an asset of such Person.

“Order” means any order, injunction, judgment, decree, ruling, writ, assessment or arbitration award of a Governmental Body.

“Ordinary Course of Business” means the ordinary and usual course of normal day-to-day operations of the Business through the date hereof consistent with past practice.

“Permits” means any approvals, authorizations, consents, licenses, permits or certificates of a Governmental Body.

“Person” means any individual, corporation, limited liability company, partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Body or other entity..

“Purchased Intellectual Property” means all intellectual property rights used or intended for use in the Business and arising from or in respect of the following: (i) all patents and applications therefore, including continuations, divisionals, continuations-in-part, or reissues of patent applications and patents issuing thereon, (ii) all trademarks, service marks, trade names, service names, brand names, all trade dress rights, logos, Internet domain names and corporate names and general intangibles of a like nature, together with the goodwill associated with any of the foregoing, and all applications, registrations and renewals thereof, (iii) copyrights and registrations and applications therefor and works of authorship, and mask work rights, in each case primarily used or intended for use in the Business, and (iv) all Software of Sellers used or intended for use in the Business, excluding any Software related exclusively to and located at the Business.

“Purchaser Material Adverse Effect” means a material adverse effect on the ability of Purchaser to consummate the transactions contemplated by this Agreement or perform its obligations under this Agreement.

“Sale Order” shall be a final order (or orders) of the Bankruptcy Court which is not subject to a stay pending appeal (but may still be subject to appeal), in form and substance reasonably acceptable to Purchaser and Sellers approving this Agreement and all of the terms and conditions hereof, and approving and authorizing Sellers to consummate the transactions contemplated hereby. Without limiting the generality of the foregoing, such order shall find and provide, among other things, that (i) the Purchased Assets sold to Purchaser pursuant to this Agreement shall be transferred to Purchaser free and clear of all Liens and claims, such Liens and claims to attach to the Purchase Price; (ii) the Purchaser has acted in “good faith” within the meaning of section 363(m) of the Bankruptcy Code; (iii) this Agreement was negotiated, proposed and entered into by the parties without collusion, in good faith and from arm’s length bargaining positions; (iv) the Bankruptcy Court shall retain jurisdiction to resolve any controversy or claim arising out of or relating to this Agreement, or the breach hereof as provided in Section 14.4 hereof; and (v) this Agreement and the transactions contemplated hereby may be specifically enforced against and binding upon, and not subject to rejection or avoidance by, Sellers or any chapter 7 trustee of Sellers.

“Sellers Material Adverse Effect” means (i) any event or occurrence (regardless of whether such event or occurrence constitutes a breach of any representation, warranty or covenant of Sellers hereunder) which has had or would reasonably be expected to have, individually or when considered together with any other events or occurrences, (a) a material adverse effect on or a material adverse change in or to the business, assets, properties, results of operations or financial condition of Sellers (taken as a whole), or (b) a material adverse effect on or a material adverse change in or to the ability of Sellers to consummate the transactions contemplated by this Agreement or perform its obligations under this Agreement, other than an effect or change resulting from an Excluded Matter.

“Software” means any and all (i) computer programs, including any and all software implementations of algorithms, models and methodologies, whether in source code or object code, (ii) databases and compilations, including any and all data and collections of data, whether machine readable or otherwise, (iii) descriptions, flow-charts and other work product

used to design, plan, organize and develop any of the foregoing, (iv) screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons, and (v) all documentation including user manuals and other training documentation related to any of the foregoing.

“Tax Authority” means any government, or agency, instrumentality or employee thereof, charged with the administration of any law or regulation relating to Taxes.

“Taxes” means (i) all federal, state, local or foreign taxes, charges or other assessments, including all net income, gross receipts, capital, sales, use, ad valorem, value added, transfer, escheat or unclaimed property obligation, franchise, profits, inventory, capital stock, license, withholding, payroll, employment, social security, unemployment, excise, severance, stamp, occupation, property and estimated taxes, (ii) any item described in clause (i) for which a taxpayer is liable as a transferee or successor, by reason of the regulations under Section 1502 of the Code, or by contract, indemnity or otherwise, and (iii) all interest, penalties, fines, additions to tax or additional amounts imposed by any Tax Authority in connection with any item described in clause (i) or (ii).

“Tax Return” means all returns, declarations, reports, estimates, information returns and statements required to be filed in respect of any Taxes (including any attachments thereto or amendments thereof).

“Work Autos” mean the motor vehicles owned by the seller described as: 2006 GMC Sierra -IGTEC19Z46E184441; 2012 Chevrolet Truck Equinox -2GNALBEKXC1249293; 2012 Chevrolet Truck Equinox - 2GNALBEK8C1274726; 1995 GMC Topkick Flatbed Truck -1GDG6H1J7SJ516223; 1995 C20 Chevrolet Conversion Van- 1GBEG25K7SF251819; 2006 Ford Edge – 2FMDK36C48BA82531.

1.2. Terms Defined Elsewhere in this Agreement. For purposes of this Agreement, the following terms have meanings set forth in the sections indicated or as set forth in the Auction and Bid Procedures approved by the Court.

<u>Term</u>	<u>Section</u>
Allocation Statement	12.2
Assumed Future Costs	2.3
Auction Date	7.1
Bankruptcy Case	Recitals
Bankruptcy Code	Recitals
Bankruptcy Code	Recitals
Business	Recitals
Cash Purchase Price	3.1(a)
Closing	4.1
Closing Date	4.1
Competing Transaction	7.1
Conveyed Business Actions	2.2

Deposit Amount	3.3
Excluded Actions	2.2
Excluded Assets	2.2
Excluded Liabilities	2.4
Periodic Non-Income Taxes	13.1(a)
Petition Date	Recitals
Post-Closing Straddle Period	13.1(b)
Pre-Closing Straddle Period	13.1(b)
Purchased Assets	2.1(b)
Purchase Price	3.1
Purchaser	Recitals
Sellers	Recitals
Straddle period	13.1(b)
Termination Date	4.4(a)
Transfer Taxes	12.1

1.3. Other Definitional and Interpretive Matters.

(a) Unless otherwise expressly provided, for purposes of this Agreement, the following rules of interpretation shall apply:

Calculation of Time Period. When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded. If the last day of such period is a non-Business Day, the period in question shall end on the next succeeding Business Day.

Dollars. Any reference in this Agreement to \$ shall mean U.S. dollars.

Gender and Number. Any reference in this Agreement to gender shall include all genders, and words imparting the singular number only shall include the plural and vice versa.

Headings. The division of this Agreement into Articles, Sections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect or be utilized in construing or interpreting this Agreement. All references in this Agreement to any “Section” are to the corresponding Section of this Agreement unless otherwise specified.

Herein. The words such as “herein,” “hereinafter,” “hereof” and “hereunder” refer to this Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires.

Including. The word “including” or any variation thereof means “including, without limitation” and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it.

(b) The parties hereto have participated jointly in the negotiation and drafting of this Agreement and, in the event an ambiguity or question of intent or interpretation

arises, this Agreement shall be construed as jointly drafted by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

ARTICLE II.

PURCHASE AND SALE OF ASSETS; ASSUMPTION OF LIABILITIES

2.1. Purchase and Sale of Assets.

(a) On the terms and subject to the conditions set forth in this Agreement, at the Closing, immediately upon the consummation of the transactions provided in Section 3.2 Purchaser shall purchase, acquire and accept from Sellers, and Sellers shall sell, transfer, convey and deliver to Purchaser all of Sellers's right, title and interest in, to and under the Purchased Assets, free and clear of all Liens.

(b) For all purposes of and under this Agreement, the term "Purchased Assets" shall mean:

All machinery, equipment and inventory (including raw materials, work-in-process) owned by the Sellers and located at 2309 Nevada Boulevard and 11435 Granite St. Charlotte, North Carolina on October 25, 2013.

All rights to inventory in transit

All office furniture, including computers, laptops, servers and telephones

All rights to prepaid inventory with vendors

Purchased Intellectual Property as defined in Section 1.1

2.2. Excluded Assets. Nothing herein contained shall be deemed to sell, transfer, assign or convey the Excluded Assets to Purchaser, and Sellers shall retain all right, title and interest to, in and under the Excluded Assets. For all purposes of and under this Agreement, the term "Excluded Assets" shall mean:

(a) any Avoidance Actions and any and all rights, claims or causes of action of Sellers arising at any time prior to the Closing Date, including any rights, claims or causes of action related to Excluded Assets, Excluded Liabilities or the alleged misconduct, misfeasance or similar matters involving the Sellers' principals and management prior to the Petition Date, which shall be fully retained and preserved for the benefit of the Sellers and Sellers' estates (the "Excluded Actions"); provided, however, that the Excluded Actions shall not include any rights, claims or causes of action of Sellers against third parties necessary for Purchaser to fully enforce its right, title and interest in or ownership of any Purchased Asset, warranties or indemnities (collectively, the "Conveyed Business Actions");

(b) any Documents that pertain to Employees or will be needed by the Sellers to complete their bankruptcy cases properly.

(c) the Purchase Price delivered to Sellers pursuant to this Agreement;

(d) any insurance policies of the Sellers and any claims, rights, or proceeds under those insurance policies;

(e) any prepaid insurance premiums;

(f) any adequate assurance utility deposits posted before or during the pendency of the Bankruptcy Case;

(g) all cash of the Sellers as of the Closing Date;

(h) Work Autos;

(i) Executory contracts

(j) Assets not owed by the Sellers, including the FTA assets and Montreal assets.

2.3. Assumed Future Costs. On the terms and subject to the conditions and limitations set forth in this Agreement, Purchaser agrees to reimburse the Sellers for the occupancy costs (including but not limited to rent, utilities, etc.) of the Business Office from and after November 1, 2013 through assumption or rejection by the Sellers of the leases of Nevada Boulevard and Granite Street. The Sellers intend to assume and assign to the Purchaser or reject these leases no later than 90 days from the date of this Agreement.

Also, to the extent there are any costs associated with inventory in transit or in the possession of vendors, Purchase will be responsible for any costs to obtain that inventory.

2.4. Excluded Liabilities. Purchaser shall not assume and shall be deemed not to have assumed, and Sellers shall be solely and exclusively liable with respect to, any Liabilities of Sellers other than the Assumed Liabilities (collectively, the “Excluded Liabilities”). For the avoidance of doubt, the Excluded Liabilities include the following:

(a) all Liabilities existing on or prior to the Closing Date;

(b) all Liabilities arising under the Worker Adjustment and Retraining Notification Act, any employment benefit plan subject to Title IV of ERISA or under Title W of ERISA or related to other employee benefits arising on or prior to the Closing Date;

(c) all Liabilities relating to or arising out of the ownership or operation of an Excluded Asset;

(d) all Liabilities (including but not limited to Liabilities based on successor-in-interest liability theories of transferee or successor liability or de facto merger, under any

applicable Law or otherwise) (i) for Taxes arising with respect to periods through the Closing Date (including attributable to the operation of the Business through the Closing Date), (ii) for Income Taxes of Sellers, (iii) except as provided in Section 12.1, for Taxes arising in connection with the consummation of the transactions contemplated hereby; and (iv) except as provided otherwise in Section 13.1, for Periodic Non-Income Taxes arising with respect to periods through the Closing Date (including attributable to the operation of the Business through the Closing Date);

(e) any fee or commission or like payment owing to a sales person, broker, agent or like person relating to any portion of a Contract;

(f) all Liabilities relating to any theories of law or equity involving successors or transferees; and

(g) all Liabilities relating to amounts required to be paid by Sellers hereunder.

2.5. Reserved.

2.6. Non-Assignment of Assets. Notwithstanding any other provision of this Agreement to the contrary, this Agreement shall not constitute an agreement to assign or transfer and shall not effectuate the assignment or transfer of any Purchased Asset if (a) an attempted assignment thereof, without the approval, authorization or consent of, or granting or issuance of any license or permit by, any third party thereto (each such action, a “Necessary Consent”), would constitute a breach thereof or in any way adversely affect the rights of Purchaser thereunder or create a possible claim against Sellers by the Necessary Party and (b) the Bankruptcy Court shall not have entered an Order providing that such Necessary Consent is not required. In such event, Sellers and Purchaser will use their reasonable efforts to obtain the Necessary Consents with respect to any such Purchased Asset or any claim or right or any benefit arising thereunder for the assignment thereof to Purchaser as Purchaser may reasonably request; provided, however, that Sellers shall not be obligated to pay any consideration therefor to any third party from whom consent or approval is requested or to initiate any litigation or Legal Proceedings to obtain any such consent or approval. If such Necessary Consent is not obtained, or if an attempted assignment thereof would be ineffective or would adversely affect the rights of Sellers thereunder so that Purchaser would not in fact receive all such rights, Sellers and Purchaser will cooperate in a mutually agreeable arrangement, to the extent feasible and at no expense to Sellers, under which Purchaser would obtain the benefits and assume the obligations thereunder in accordance with this Agreement, including subcontracting, sub-licensing, or sub-leasing to Purchaser, or under which Sellers would enforce for the benefit of Purchaser with Purchaser assuming Sellers’s obligations and any and all rights of Sellers against a third party thereto.

ARTICLE III.

CONSIDERATION; ADJUSTMENT

3.1. Consideration. The aggregate consideration for the Purchased Assets (the "Purchase Price") shall be:

- (a) cash in an amount of \$1,600,000 (the "Cash Purchase Price"); and
- (b) payment of the Assumed Future Costs effective November 1, 2013.

3.2. Payment of Purchase Price. Purchaser shall pay Sellers the Cash Purchase Price, less the Deposit Amount, by wire transfer of immediately available funds to an account designated by Sellers no later than November 7, 2013.

PURCHASE PRICE DEPOSIT

Purchaser deposited with the CRO the sum of \$160,000 (the "Deposit Amount") by certified check or wire transfer of immediately available funds. The Deposit Amount shall be held in a separate escrow account by the CRO for the benefit of the Sellers' estates. If the Purchaser, as the Successful Bidder, fails to consummate the purchase of the Purchased Assets, or any part thereof, because of a breach, default or failure to perform on the part of the Purchaser, the Sellers will not have any obligation to return the Deposit Amount deposited by the Purchaser, and such Deposit Amount shall irrevocably become property of the Sellers without affecting or reducing any of the Sellers' other rights or claims against the Purchaser. If Purchaser, as a Successful Bidder, fails to consummate the purchase of the Purchased Assets, or any part thereof, because of a breach, default or failure to perform on the part of the Sellers, the Deposit Amount deposited by the Purchaser shall be returned to such Purchaser. If a Purchaser, as a Successful Bidder consummates the purchase of the Assets, the Deposit Amount deposited by Purchaser shall be applied as a credit toward the purchase price for the Assets.

ARTICLE V.

CLOSING AND TERMINATION

5.1. Closing Date. The closing of the purchase and sale of the Purchased Assets and the assumption of the Assumed Liabilities provided for in Article II hereof (the "Closing") shall take place at the offices of Nelson Mullins Riley & Scarborough, Charlotte, North Carolina (or at such other place as the parties may designate in writing) at 10:00 a.m. (prevailing Eastern Time) on the date that is no later than November 8, unless another time or date, or both, are agreed to in writing by the parties hereto. The date on which the Closing shall be held is referred to in this Agreement as the "Closing Date."

5.2. Deliveries by Sellers. At the Closing, Sellers shall deliver to Purchaser:

(a) one or more duly executed bills of sale in a form to be agreed upon by the parties hereto;

(b) one or more duly executed assignment and assumption agreements in a form to be agreed upon the parties hereto and duly executed assignments of the U.S. trademark registrations and applications included in the Purchased Intellectual Property, in a form suitable for recording in the U.S. trademark office, and general assignments of all other Purchased Intellectual Property;

(c) affidavits executed by Sellers that Sellers are not a foreign person within the meaning of Section 1445(f)(3) of the Code; and

(d) all other instruments of conveyance and transfer, in form and substance reasonably acceptable to Purchaser, as may be necessary to convey the Purchased Assets to Purchaser.

5.3. Deliveries by Purchaser. At the Closing, Purchaser shall deliver to Sellers:

(a) the consideration specified in Section 3.2 hereof.

5.4. Termination of Agreement. This Agreement is irrevocable except as set forth herein.

5.5. Procedure Upon Termination. In the event of termination pursuant to Section 5.4 hereof, written notice thereof shall forthwith be given to the other party or parties, and this Agreement shall terminate, and the purchase of the Purchased Assets hereunder shall be abandoned, without further action by Purchaser or Sellers. If this Agreement is terminated as provided herein, each party shall redeliver all documents, work papers and other material of any other party relating to the transactions contemplated hereby, whether so obtained before or after the execution hereof, to the party furnishing the same.

5.6. Effect of Termination. In the event that this Agreement is validly terminated as provided herein, then each of the parties shall be relieved of its duties and obligations arising under this Agreement after the date of such termination and such termination shall be without liability to Purchaser or Sellers; provided, however, that the obligations of the parties set forth in this Section 5.6, Section 7.2 and the provisions of Article XII hereof shall survive any such termination and shall be enforceable hereunder; provided further, however, that nothing in this Section 5.6 shall be deemed to release any party from liability for any breach of its obligations under this Agreement in any material respect. The provisions of any confidentiality or non-disclosure provision between Sellers and Buyer shall survive the termination of the Agreement.

ARTICLE VI.

REPRESENTATIONS AND WARRANTIES OF SELLERS

Sellers hereby represents and warrants to Purchaser that:

6.1. Organization and Good Standing. Sellers are validly existing and in good standing under the laws of the jurisdiction of their organization and are subject to the limitations imposed on Sellers as a result of having been the subject of a petition for relief under the Bankruptcy Code and the entry of the order for relief.

6.2. Authorization of Agreement. Upon entry of the Sale Order and such other authorization as is required by the Bankruptcy Court and the Debtor-In-Possession Interim and Final Orders (Dkt Nos. 111, 153) (the "DIP Orders", Sellers, acting by and through the CRO, will have the requisite power and authority to execute and deliver this Agreement and each other agreement, document or instrument contemplated hereby or thereby to which it is a party and to perform its respective obligations hereunder and thereunder. The execution and delivery of this Agreement and each other agreement, document or instrument contemplated hereby or thereby to which it is a party and the consummation of the transactions contemplated hereby and thereby will have been duly authorized by the Bankruptcy Court.

6.3. ACQUIRED ASSETS "AS IS". PURCHASER AGREES, WARRANTS AND REPRESENTS THAT (A) PURCHASER IS PURCHASING THE PURCHASED ASSETS ON AN "AS IS" AND "WITH ALL FAULTS" BASIS BASED SOLELY ON PURCHASER'S OWN INVESTIGATION OF THE PURCHASED ASSETS (INCLUDING AFTER THE DATE HEREOF) AND (B) EXCEPT AS PROVIDED IN THIS AGREEMENT, NEITHER SELLERS, THE CRO, NOR ANY REPRESENTATIVE OF SELLERS OR CRO HAS MADE ANY WARRANTIES, REPRESENTATIONS OR GUARANTEES, EXPRESS, IMPLIED OR STATUTORY, WRITTEN OR ORAL, RESPECTING THE PURCHASED ASSETS, ANY PART OF THE PURCHASED ASSETS, THE FINANCIAL PERFORMANCE OF THE PURCHASED ASSETS OR THE BUSINESS, OR THE PHYSICAL CONDITION OF THE PURCHASED ASSETS. PURCHASER FURTHER ACKNOWLEDGES THAT THE CONSIDERATION FOR THE PURCHASED ASSETS SPECIFIED IN THIS AGREEMENT HAS BEEN AGREED UPON BY SELLERS AND PURCHASER AFTER GOOD-FAITH ARMS-LENGTH NEGOTIATION IN LIGHT OF PURCHASER'S AGREEMENT TO PURCHASE THE PURCHASED ASSETS "AS IS" AND "WITH ALL FAULTS" EXCEPT AS PROVIDED IN THIS AGREEMENT. PURCHASER AGREES, WARRANTS AND REPRESENTS THAT, EXCEPT AS SET FORTH IN THIS AGREEMENT, PURCHASER HAS RELIED, AND SHALL RELY, SOLELY UPON ITS OWN INVESTIGATION OF ALL SUCH MATTERS (INCLUDING AFTER THE DATE HEREOF), AND THAT PURCHASER ASSUMES ALL RISKS WITH RESPECT THERETO. EXCEPT AS SET FORTH IN THIS AGREEMENT, SELLERS MAKES NO EXPRESS WARRANTY, NO WARRANTY OF MERCHANTABILITY, NO WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, AND NO IMPLIED OR STATUTORY WARRANTY WHATSOEVER WITH RESPECT TO ANY REAL OR PERSONAL PROPERTY OR ANY FIXTURES OR THE PURCHASED ASSETS.

ARTICLE VII.

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to Sellers that:

7.1. Organization and Good Standing. Purchaser is an entity duly organized, validly existing and in good standing under the laws of California and has the requisite corporate power and authority to own, lease and operate its properties and to carry on its business as now conducted.

7.2. Authorization of Agreement. Purchaser has the requisite corporate power and authority to execute and deliver this Agreement and each other agreement, document or instrument contemplated hereby or thereby to which it is a party and to perform its obligations hereunder and thereunder. The execution and delivery of this Agreement and each other agreement, document or instrument contemplated hereby or thereby to which Purchaser is a party and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of Purchaser. This Agreement and each other agreement, document or instrument contemplated hereby or thereby to which Purchaser is a party has been duly and validly executed and delivered by Purchaser and (assuming the due authorization, execution and delivery by the other parties hereto) this Agreement and each other agreement, document or instrument contemplated hereby or thereby to which Purchaser is a party constitutes legal, valid and binding obligations of Purchaser enforceable against such entity in accordance with its respective terms

7.3. Conflicts; Consents of Third Parties.

(a) The execution and delivery by Purchaser of this Agreement and each other agreement, document or instrument contemplated hereby or thereby to which Purchaser is a party, the consummation of the transactions contemplated hereby and thereby, or compliance by Purchaser with any of the provisions hereof or thereof do not conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination or cancellation under any provision of (i) the certificate of incorporation and by-laws or comparable organizational documents of Purchaser; (ii) any Contract or Permit to which Purchaser is a party or by which any of the properties or assets of Purchaser are bound; (iii) any Order of any Governmental Body applicable to Purchaser or any of the properties or assets of Purchaser as of the date hereof; or (iv) any applicable Law, other than, in the case of clauses (ii), (iii) and (iv), such conflicts, violations, defaults, terminations or cancellations that would not reasonably be expected to have, individually or in the aggregate, a Purchaser Material Adverse Effect.

(b) No consent, waiver, approval, Order, Permit or authorization of, or declaration or filing with, or notification to, any Person or Governmental Body is required on the part of Purchaser in connection with the execution and delivery of this Agreement and each other agreement, document or instrument contemplated hereby or thereby to which Purchaser is a party, the compliance by Purchaser with any of the provisions hereof or thereof, the consummation of the transactions contemplated hereby or thereby, the taking by Purchaser of

any other action contemplated hereby or thereby, except for such consents, waivers, approvals, Orders, Permits, authorizations, declarations, filings and notifications, the failure of which to obtain or make, would not reasonably be expected to have, individually or in the aggregate, a Purchaser Material Adverse Effect.

7.4. Financial Advisors. No Person has acted, directly or indirectly, as a broker, finder or financial advisor for Purchaser in connection with the transactions contemplated by this Agreement and no Person is entitled to any fee or commission or like payment in respect thereof.

7.5. Financial Capability. Purchaser will have when due sufficient funds available to pay the Purchase Price and any expenses incurred by Purchaser in connection with the transactions contemplated by this Agreement.

7.6. Condition of the Business. Purchaser acknowledges and agrees that Sellers are not making any representations or warranties whatsoever, express or implied, beyond those expressly given by Sellers in Article V hereof, and Purchaser acknowledges and agrees that, except for the representations and warranties contained therein, the Purchased Assets and the Business are being transferred on a “where is” and, as to condition, “as is” basis.

ARTICLE VIII.

BANKRUPTCY COURT MATTERS

8.1. Competing Transaction. This Agreement is subject to approval by the Cyrus Entities, as the Debtor in Possession Lenders to the Sellers, and ultimately the Bankruptcy Court following appropriate notice to creditors.

8.2. Bankruptcy Court Filings. Sellers shall promptly take such actions as are reasonably requested by Sellers to assist in obtaining entry of the Sale Order, including furnishing affidavits or other documents or information for filing with the Bankruptcy Court for the purposes, among others, of providing necessary assurances of performance by Purchaser under this Agreement and demonstrating that Purchaser is a “good faith” purchaser under section 363(m) of the Bankruptcy Code. Subject to the DIP Orders, Purchaser and Sellers shall agree on a form of a Sale Order within one Business Day following the applicable Bankruptcy Court hearing where the Sale is approved. In the event the entry of the Sale Order shall be appealed, Sellers and Purchaser shall use their respective reasonable efforts to defend such appeal.

ARTICLE IX.

COVENANTS

9.1. Access to Information. Sellers agree that if the Purchaser is approved by the Bankruptcy Court to be the Successful Bidder, then prior to the Closing Date, Purchaser shall be entitled, through its officers, employees, consultants and representatives (including its legal advisors and accountants), to make such investigation of the properties, businesses, customers

and operations of Sellers and the Business and such examination of the books and records of Sellers and the Business, the Purchased Assets and the Assumed Liabilities as it reasonably requests. Any such investigation and examination shall be conducted upon reasonable advance notice and under reasonable circumstances and shall be subject to restrictions under applicable Law. Prior to the Closing Date, Sellers shall cause its officers, employees, consultants, agents, accountants, attorneys and other representatives to cooperate with Purchaser and Purchaser's representatives in connection with such investigation and examination, including with respect to investigation with respect to customers and clients. Notwithstanding anything herein to the contrary, no such investigation or examination shall be permitted to the extent that it would require Sellers to disclose information subject to attorney-client or other privilege, and the results of such investigation or examination will not negate Purchaser's obligation to close the transaction contemplated herein.

9.2. Conduct of the Business Pending the Closing.

(a) Except (i) as required by applicable Law, (ii) as otherwise contemplated by this Agreement, or (iii) with the prior written consent of Purchaser or the approval of the Bankruptcy Court, Sellers shall not:

(i) subject any of the Purchased Assets to any Lien, except for existing Liens;

(ii) cancel or compromise any material debt or claim or waive or release any material right of Sellers that constitutes a Purchased Asset;

9.3. Consents. Sellers shall use its reasonable efforts, and Purchaser shall, cooperate with Sellers, to obtain at the earliest practicable date all consents and approvals required to consummate the transactions contemplated by this Agreement, including approval by the Cyrus Entities, and approval of the Bankruptcy Court; provided, however, that Sellers shall not be obligated to pay any consideration therefore to any third party from whom consent or approval is requested or to initiate any litigation or Legal Proceedings to obtain any such consent or approval.

9.4. Further Assurances. Subject to the other provisions of this Agreement, each of Purchaser and Sellers shall use its reasonable efforts to take all actions necessary or appropriate to consummate the transactions contemplated by this Agreement

9.5. Preservation of Records. Sellers and Purchaser will cooperate and agree that each of them shall preserve and keep all Documents as needed (and shall take commercially reasonable efforts to affirmatively safeguard and prevent deletion of all such records) for so long as they are needed to effectuate a smooth transition of the Purchased Assets, but in no event greater than 60 days from the Closing. For the avoidance of doubt, the foregoing shall include the right to make copies of any such Documents, including the right to reproduce or copy any servers containing such Documents. The Sellers need for such documents as are required to complete its bankruptcy cases in a proper manner will be respected and protected.

9.6. Confidentiality. Purchaser and Sellers shall, and shall cause their respective Affiliates and representatives (including, for the avoidance of doubt, the CRO, any chapter 7 trustee or any trust established under a Chapter 11 plan of Sellers or any other successors of Sellers) to keep confidential and not disclose to any other Person or entity or use for its own benefit or the benefit of any other Person or entity any confidential information, technology, know-how, trade secrets, inventions or other intellectual property relating to the Business (“Confidential Information”) in its possession or control; provided, however, that Sellers may disclose and use any Confidential Information existing on the Closing Date and relating to the period prior to the Closing Date in connection with any Excluded Actions and Sellers may disclose such Confidential Information to Sellers’s customers, creditors and their representatives in connection with claims of Sellers’s customers or creditors arising prior to the Closing. The obligations under this Section 9.6 do not apply to Confidential Information that (i) is or becomes generally available to the public without breach of the commitment provided for in this Section 9.6 or (ii) is required to be disclosed by Law or Order of the Bankruptcy Court or any Governmental Body; provided, however, that, in any such case, Purchaser or Sellers, as applicable, shall notify the other party as early as reasonably practicable prior to disclosure to allow such party to take appropriate measures to preserve the confidentiality of such Confidential Information.

ARTICLE X.

EMPLOYEES AND EMPLOYEE BENEFITS

10.1. Transferred Employees. Prior to the Closing, Purchaser may offer employment to each of the Employees who remain employed immediately prior to the Closing on such terms as Purchaser deems appropriate. Such individuals who accept such offer by the Closing Date are hereinafter referred to as the “Transferred Employees.”

10.2. Employment Tax Reporting. With respect to Transferred Employees, Purchaser and Sellers shall use the standard procedure set forth in Revenue Procedure 2004-53, 2004-34 I.R.B. 320, for purposes of employment tax reporting.

10.3. No Obligations. Nothing contained in this Agreement shall be construed to require, or prevent the termination of, employment of any individual, require minimum benefit or compensation levels or prevent any change in the employee benefits provided to any individual Transferred Employee.

ARTICLE XI.

CONDITIONS TO CLOSING

11.1. Conditions Precedent to Obligations of Purchaser and Sellers. The respective obligations of Purchaser and Sellers to consummate the transactions contemplated by this Agreement are subject to the fulfillment, on or prior to the Closing Date, of the following conditions (any or all of which may be waived by Purchaser and Sellers in whole or in part to the extent permitted by applicable Law):

(a) there shall not be in effect any Order by a Governmental Body of competent jurisdiction restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated hereby; and

(b) the Bankruptcy Court shall have entered the Sale Order, in form and substance reasonably acceptable to Sellers and Purchaser, and such Sale Order shall have become a final Order.

ARTICLE XII.

TAXES

12.1. Transfer Taxes. All documentary, stamp, transfer, motor vehicle registration, sales, use, excise and other similar non-income Taxes and all filing and recording fees (and any penalties and interest associated with such Taxes and fees) arising from or relating to the consummation of the transactions contemplated by this Agreement (collectively, “Transfer Taxes”) will be borne by Purchaser, regardless of the party on whom liability is imposed under the provisions of the Laws relating to such Transfer Taxes. Sellers and Purchaser shall cooperate and consult with each other prior to filing any Tax Returns in respect of Transfer Taxes and shall cooperate and otherwise take commercially reasonable efforts to obtain any available refunds for or exemptions from such Transfer Taxes.

12.2. Purchase Price Allocation. Sellers and Purchaser shall allocate the Purchase Price among the Purchased Assets of Sellers in accordance with a statement (the “Allocation Statement”) provided by Purchaser to Sellers as soon as practicable after the Closing, which statement shall be prepared in accordance with Section 1060 of the Code. Purchaser and Sellers shall file all Tax Returns (including Form 8594) consistent with, and shall take no tax position inconsistent with the Allocation Statement provided that the Allocation Statement is reasonable.

ARTICLE XIII.

13.1. Certain Periodic Non-Income Taxes.

(a) With respect to any personal property or other periodic Taxes not based on income or receipts (“Periodic Non-Income Taxes”) that are assessed on, or in respect of, the Purchased Assets and attributable to any period that begins after the Closing Date, if Sellers pays such Periodic Non-Income Taxes, as promptly as practicable after delivery to Purchaser of proof of such payment, Purchaser will pay to Sellers the amount of such Periodic Non-Income Taxes paid by Sellers. With respect to any Periodic Non-Income Taxes that are assessed on, or in respect of, the Purchased Assets and attributable to any period that ends on or prior to the Closing Date, if Purchaser pays such Periodic Non-Income Taxes, as promptly as practicable after delivery to Sellers of proof of such payment, Sellers will pay to Purchaser the amount of such Periodic Non-Income Taxes paid by Purchaser, but only to the extent such amount was not taken into account to determine any amount otherwise payable to Sellers under any other provision of this Agreement, as such amount is approved by the Bankruptcy Court,

and such amount is not in excess of the amount the Sellers would be obligated to pay under the Bankruptcy Code.

(b) With respect to any Periodic Non-Income Taxes that are assessed on, or in respect of, the Purchased Assets and attributable to any period which includes but does not end on the Closing Date (a “Straddle Period”): (i) if Sellers pays such Periodic Non-Income Taxes, as promptly as practicable after delivery to Purchaser of proof of such payment, Purchaser will pay to Sellers the amount of such Periodic Non-Income Taxes paid by Sellers that are attributable to the portion of such Straddle Period beginning after the Closing Date (the “Post-Closing Straddle Period”) and (ii) if Purchaser pays such Periodic Non-Income Taxes, as promptly as practicable after delivery to Sellers of proof of such payment, Sellers will pay to Purchaser the amount of such Periodic Non-Income Taxes paid by Purchaser that are attributable to the portion of such Straddle Period up to and including the Closing Date, as such amount is approved by the Bankruptcy Court, and such amount is not in excess of the amount the Sellers would be obligated to pay under the Bankruptcy Code (the “Pre-Closing Straddle Period”), but only to the extent such amount was not taken into account to determine any amount otherwise payable to Sellers under any other provision of this Agreement. For purposes of this Section 13.1(b), the amount of Periodic Non-Income Taxes attributable to a Pre-Closing Straddle Period will be based upon the ratio of the number of days in the Pre-Closing Straddle Period to the total number of days in the Straddle Period, and the amount of Periodic Non-Income Taxes attributable to a Post-Closing Straddle Period will be based upon the ratio of the number of days in the Post-Closing Straddle Period to the total number of days in the Straddle Period.

(c) The party that has the primary obligation to do so under applicable Law will timely pay to the applicable Governmental Body any Periodic Non-Income Taxes covered by this Section 13.1.

ARTICLE XIV.

MISCELLANEOUS

14.1. No Survival of Representations and Warranties. The parties hereto agree that the representations and warranties contained in this Agreement shall not survive the Closing hereunder, and none of the parties shall have any liability to each other after the Closing for any breach thereof. The parties hereto agree that, except with respect to Section 9.2 which shall not survive the Closing, the covenants contained in this Agreement to be performed at or after the Closing shall survive the Closing hereunder, and each party hereto shall be liable to the other after the Closing for any breach thereof.

14.2. Expenses. Except as otherwise provided in this Agreement, each of Sellers and Purchaser shall bear its own expenses incurred in connection with the negotiation and execution of this Agreement and each other agreement, document and instrument contemplated by this Agreement and the consummation of the transactions contemplated hereby.

14.3. Injunctive Relief. Damages at law may be an inadequate remedy for the breach of any of the covenants, promises and agreements contained in this Agreement, and,

accordingly, any party hereto shall be entitled to injunctive relief with respect to any such breach, including specific performance of such covenants, promises or agreements or an order enjoining a party from any threatened, or from the continuation of any actual, breach of the covenants, promises or agreements contained in this Agreement. The rights set forth in this Section 14.3 shall be in addition to any other rights which a party hereto may have at law or in equity pursuant to this Agreement.

14.4. Submission to Jurisdiction; Consent to Service of Process.

(a) Without limiting any party's right to appeal any order of the Bankruptcy Court, (i) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any claims or disputes which may arise or result from, or be connected with, this Agreement, any breach or default hereunder, or the transactions contemplated hereby, and (ii) any and all proceedings related to the foregoing shall be filed and maintained only in the Bankruptcy Court, and the parties hereby consent to and submit to the jurisdiction and venue of the Bankruptcy Court and shall receive notices at such locations as indicated in Section 14.8 hereof; provided, however, that if the Bankruptcy Case has closed, the parties agree to unconditionally and irrevocably submit to the exclusive jurisdiction of the United States District Court for the Western District of North Carolina, and any appellate court from any thereof, for the resolution of any such claim or dispute. The parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the parties hereto agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

14.5. Waiver of Right to Trial by Jury. Each party to this Agreement waives any right to trial by jury in any action, matter or proceeding regarding this Agreement or any provision hereof.

14.6. Entire Agreement; Amendments and Waivers. This Agreement represents the entire understanding and agreement between the parties hereto with respect to the subject matter hereof. This Agreement can be amended, supplemented or changed, and any provision hereof can be waived, only by written instrument making specific reference to this Agreement signed by the party against whom enforcement of any such amendment, supplement, modification or waiver is sought. No action taken pursuant to this Agreement, including any investigation by or on behalf of any party, shall be deemed to constitute a waiver by the party taking such action of compliance with any representation, warranty, covenant or agreement contained herein. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies provided by law.

14.7. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina applicable to contracts made and performed in such State.

14.8. Notices. All notices and other communications under this Agreement shall be in writing and shall be deemed given (i) when delivered personally by hand or sent via electronic mail, (ii) when sent by facsimile during normal business hours on a business day (with written confirmation of transmission) or (iii) one business day following the day sent by overnight courier (with written confirmation of receipt), in each case at the following addresses and facsimile numbers (or to such other address or facsimile number as a party may have specified by notice given to the other party pursuant to this provision):

If to Sellers, to:

GGG Partners, LLC
5883 Glenridge Drive NE
Suite #160
Atlanta, GA 30328
Facsimile. (404) 256-4555
Attention: Katie Goodman, CRO
Email: kgoodman@gggmgt.com

With a copy (which shall not constitute notice) to:

Terri L. Gardner, Esq.
Nelson Mullins Riley & Scarborough, LLP
4140 Parklake Avenue
Glenlake One, Suite 200
Raleigh, NC 27612
Facsimile: (919) 329-3799
Email: terri.gardner@nelsonmullins.com

With a copy (which shall constitute notice) to:

Kay Standridge Kress
Pepper Hamilton LLP
4000 Town Center, Suite 1800
Southfield, MI 48075
Facsimile: (313) 557-0565
Email: kressk@pepperlaw.com

If to Purchaser, to:

Tony Luo
Wonderland Investment Group, Inc.
301 N. Lake Avenue
Suite 810
Pasadena, CA 91101

With a copy (which shall not constitute notice) to:

14.9. Severability. If any term or other provision of this Agreement is invalid, illegal, or incapable of being enforced by any law or public policy, all other terms or provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible.

14.10. Assignment. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. Except as provided in the DIP Orders, nothing in this Agreement shall create or be deemed to create any third party beneficiary rights in any Person or entity not a party to this Agreement. No assignment of this Agreement or of any rights or obligations hereunder may be made by either Sellers or Purchaser (by operation of law or otherwise) without the prior written consent of the other party hereto and any attempted assignment without the required consents shall be void, provided that Purchaser may assign some or all of its obligations hereunder to one or more subsidiaries formed by it prior to the Closing. No assignment of any obligations hereunder shall relieve the parties hereto of any such obligations. Upon any such permitted assignment, the references in this Agreement to Sellers or Purchaser shall also apply to any such assignee unless the context otherwise requires.

14.11. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. This Agreement, and any amendments hereto, to the extent signed and delivered by means of a facsimile machine or other electronic transmission, will be treated in all manner and respects as an original agreement and will be considered to have the same binding legal effects as if it were the original signed version thereof delivered in person.

14.12. CRO Liability. The CRO was employed by the Sellers and appointed by the Bankruptcy Court to manage and oversee the business affairs and properties of the Sellers as an agent and without personal liability. Except in the case of fraud, neither the CRO, nor any

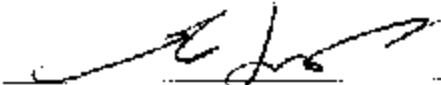
agent, advisor, representative, employee, partner, servant, trustee, attorney or other person acting on behalf of, or otherwise related to or affiliated with the CRO, shall have any personal liability directly or indirectly, under or in connection with: (i) this Agreement, (ii) any agreement made or entered into under or pursuant to the provisions of this Agreement, or (iii) any amendment or amendments to any of the foregoing made at any time or times, heretofore or hereafter. Except in the case of fraud, Purchaser and its successors and assigns, hereby waives any right to bring any claims related to this Agreement against individual persons. This section shall survive notwithstanding any other provisions or termination of any other obligations. For avoidance of doubt, the provisions of this paragraph do not override Sellers's express obligations under this Agreement.

[Signature Page Follows]

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


PURCHASER:

WONDERLAND INVESTMENT GROUP, INC.

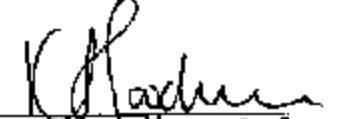
By: 
Name: Tony Luo
Title: President

SELLERS:

DESIGNLINE USA, LLC

By: 
Name: Katie S. Goodman
Title: Chief Restructuring Officer

DESIGNLINE CORPORATION, INC.

By: 
Name: Katie S. Goodman
Title: Chief Restructuring Officer