

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Order Approving Sale of Assets Free of Liens

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
ESTYLE, INC.		07/16/2008	CORPORATION: DELAWARE

RECEIVING PARTY DATA

Name:	TRS ACQUISITION SUBSIDIARY, INC.
Street Address:	26635 Agoura Road
Internal Address:	Suite 201
City:	Calabasas
State/Country:	CALIFORNIA
Postal Code:	91302
Entity Type:	CORPORATION: DELAWARE

PROPERTY NUMBERS Total: 24

Property Type	Number	Word Mark
Registration Number:	2391051	B BABY STYLE
Registration Number:	2562149	BABYSTYLE
Registration Number:	2802620	BABYSTYLE
Registration Number:	3397039	BABYSTYLE
Registration Number:	2687038	BABYSTYLE
Registration Number:	2892830	CADEAU
Registration Number:	3052104	CADEAU
Registration Number:	2810499	CADEAU
Registration Number:	2814966	CADEAU
Registration Number:	2628566	ESTYLE
Registration Number:	2209687	IBABY
Registration Number:	2543424	KIDSTYLE
Registration Number:	2750781	KIDSTYLE

CH \$615.00 2391051

Registration Number:	2691944	RIGHTSTART.COM
Registration Number:	2694449	RIGHTSTART.COM
Registration Number:	2627252	R S
Registration Number:	2173433	THE RIGHT START
Registration Number:	2157378	THE RIGHT START
Registration Number:	2368955	THE RIGHT START
Registration Number:	1917940	THE RIGHT START
Registration Number:	1918619	THE RIGHT START
Registration Number:	2521593	THE RIGHT START
Registration Number:	2523839	THE RIGHT START BABIES TO KIDS
Registration Number:	2559456	WHERE STYLE IS BORN

CORRESPONDENCE DATA

Fax Number: (303)298-0940
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Phone: 303-299-8385
Email: dschachter@sah.com
Correspondent Name: David N. Schachter
Address Line 1: 633 17th St.
Address Line 2: Suite 3000
Address Line 4: Denver, COLORADO 80202

ATTORNEY DOCKET NUMBER:	057351418
NAME OF SUBMITTER:	David N. Schachter
Signature:	/David N. Schachter/
Date:	07/29/2009

Total Attachments: 64

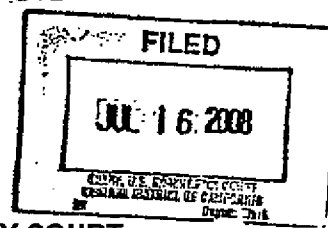
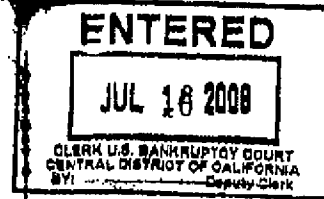
source=EStyle Inc. Order and Asset Purchase Agreement#page1.tif
source=EStyle Inc. Order and Asset Purchase Agreement#page2.tif
source=EStyle Inc. Order and Asset Purchase Agreement#page3.tif
source=EStyle Inc. Order and Asset Purchase Agreement#page4.tif
source=EStyle Inc. Order and Asset Purchase Agreement#page5.tif
source=EStyle Inc. Order and Asset Purchase Agreement#page6.tif
source=EStyle Inc. Order and Asset Purchase Agreement#page7.tif
source=EStyle Inc. Order and Asset Purchase Agreement#page8.tif
source=EStyle Inc. Order and Asset Purchase Agreement#page9.tif
source=EStyle Inc. Order and Asset Purchase Agreement#page10.tif
source=EStyle Inc. Order and Asset Purchase Agreement#page11.tif
source=EStyle Inc. Order and Asset Purchase Agreement#page12.tif
source=EStyle Inc. Order and Asset Purchase Agreement#page13.tif
source=EStyle Inc. Order and Asset Purchase Agreement#page14.tif

ORIGINAL

SulmeyerKupetz, A Professional Corporation
333 SOUTH HOPE STREET, THIRTY-FIFTH FLOOR
LOS ANGELES, CALIFORNIA 90071-1406
TEL. 213.626.2311 • FAX 213.629.4520

1 David S. Kupetz (CA Bar No. 125062)
2 dkupetz@sulmeyerlaw.com
3 Mark S. Horoupian (CA Bar No. 175373)
4 mhoroupian@sulmeyerlaw.com
5 **SulmeyerKupetz**
6 A Professional Corporation
7 333 South Hope Street, Thirty-Fifth Floor
8 Los Angeles, California 90071-1406
9 Telephone: 213.626.2311
10 Facsimile: 213.629.4520

11 Bankruptcy Counsel for eStyle, Inc.,
12 Debtor and Debtor in Possession



13 **UNITED STATES BANKRUPTCY COURT**
14 **CENTRAL DISTRICT OF CALIFORNIA, LOS ANGELES DIVISION**

15 In re
16 **ESTYLE, INC.**, a Delaware corporation,
17 dba babystyle, Cadeau, and Cadeau
18 Designs,

19 Debtor.

20 Tax Id # 95-4712564

Case No. 2:08-bk-13518-SB

Chapter 11

ORDER AUTHORIZING AND APPROVING:
(1) THE SALE OF ASSETS OF ESTYLE,
INC. FREE AND CLEAR OF LIENS, AND
(2) THE ASSUMPTION AND ASSIGNMENT
OF NONRESIDENTIAL REAL PROPERTY
LEASES AND EXECUTORY CONTRACTS
IN CONNECTION THEREWITH

DATE: July 16, 2008
TIME: 9:00 a.m.
PLACE: U.S. Bankruptcy Court
Courtroom 1575
255 East Temple Street
Los Angeles, CA 90012

21 The "Motion for Order Authorizing and Approving: (1) the Sale of Assets of
22 eStyle, Inc., Free and Clear of Liens, and (2) the Assumption and Assignment of
23 Unexpired Nonresidential Real Property Leases and Executory Contracts in Connection
24 Therewith" (the "Sale Approval Motion")¹ filed by eStyle, Inc. (the "Debtor"), came on for a
25 continued hearing before the Court on July 15, 2008, which was reconvened on July 16,

26
27 ¹ Unless otherwise defined herein, capitalized terms shall have the meanings ascribed to them in
28 the Sale Approval Motion.

1 2008.² Pursuant to the Sale Approval Motion, the Debtor sought an order (this "Sale
2 Approval Order") under 11 U.S.C. §§ 105(a), 363 and 365 and Fed. R. Bankr. P. 2002,
3 6004 and 6006(a): (1) authorizing Debtor to sell assets (the "Transferred Assets" or
4 "Assets") to TRS Acquisition Subsidiary Company, Inc., a Delaware corporation (the
5 "Purchaser"), or to any successful qualified overbidder (the "Successful Overbidder"), as
6 the case may be, free and clear of all Liens³, Claims⁴ and interests, pursuant to that
7 certain Asset Purchase Agreement between the Debtor and Purchaser, dated as of
8 June 18, 2008 (the "Purchase Agreement"), a copy of which is attached hereto as
9 Exhibit 1, and sale procedures previously approved by the Court (the "Sale Procedures");
10 (2) authorizing the assumption by the Debtor and the assignment to Purchaser of each
11 executory contract and unexpired lease listed on Schedules 1.1(a), 1.1(b) and 1.1(h) to
12 the Purchase Agreement, as supplemented or modified by the Modified Assumption List
13 (the "Modified Assumption List") filed and served prior to the Sale Hearing (collectively,
14 the "Assumed Contracts"), and determining the amount of any Cure Payment required to
15 be paid in connection therewith; (3) authorizing the Debtor, and its officers, to execute the

16
17 ² An initial hearing on the Sale Motion was conducted on July 8, 2008 at or about 2:00 p.m. The
18 continued hearing was set to address, among other things, the objections by certain of the Debtor's
19 landlords regarding the issue of adequate assurance of future performance under the leases proposed to
20 be assigned to the Purchaser.

21 ³ As used herein, "Lien" means, with respect to any asset: all title defects or objections, mortgages,
22 deeds of trust, liens, charges, pledges, hypothecations, security interests, or other encumbrances of any
23 nature whatsoever, whether domestic or foreign, including licenses, leases, chattel or other mortgages,
24 possessory interests, collateral security arrangements, conditional and installment sales agreements,
25 charges, easements, encroachments, options, rights of first refusal, rights of first offer, rights of use or
26 occupancy, restrictions on transfer (voting or otherwise), royalty obligations, consignment rights, conditional
27 sale and or title retention agreements, constructive or resulting trusts, charges of any kind, restrictions on
28 use, attachments or provisional attachments of any kind and other title or interest retention arrangements,
reservations or limitations of any nature, any filing or agreement to file a financing statement as debtor
under the Uniform Commercial Code or any similar authority, or any subordination agreement in favor of
another person, whether created by contract, order, operation of law or otherwise.

⁴ As used herein, "Claims" means any claims (as that term is defined in 11 U.S.C. § 101(5),
liabilities or obligations (whether known or unknown, whether asserted or unasserted, whether absolute or
contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to
become due), demands, judgments, guaranties, options, rights, contractual commitments, restrictions,
interests and matters of any kind and nature, whether arising prior to or subsequent to the commencement
of this case, and whether imposed by agreement, understanding, law, equity or otherwise.

1 Purchase Agreement and all other applicable documents and take any and all actions
2 necessary to complete the proposed sale transaction; (4) finding that Purchaser is a good
3 faith purchaser within the meaning of 11 U.S.C. § 363(m); and (5) waiving the ten-day
4 stay provisions of Fed. R. Bankr. P. 6004(g) and 6006(d).

5 On June 27, 2008, the Court entered an order (the "Sale Procedure Order")
6 approving, among other things, the proposed sale, bidding and auction procedures and
7 notice of the hearing on the Sale Approval Motion. The Court reviewed and considered:
8 (1) the Sale Approval Motion (and all papers filed in support of the Motion); (2) the
9 Modified Assumption List (as attached to the Updated Purchase Agreement filed on
10 July 2, 2008); (3) the Purchase Agreement, including, without limitation, the Total
11 Purchase Price (as defined in the Purchase Agreement); (4) objections and replies, if
12 any, to the relief requested in the Sale Approval Motion, including the assumption and
13 assignment of the Assumed Contracts; and (5) the arguments of counsel made, and all
14 evidence presented, at the Sale Hearing. Based on the foregoing and the facts and
15 circumstances of this case and applicable law, it is hereby

16 **FOUND AND DETERMINED THAT:⁵**

17 A. This Court has jurisdiction over the Sale Motion under 28 U.S.C.
18 §§ 157 and 1334, and this matter is a core proceeding under 28 U.S.C. § 157(b)(2)(A).
19 Venue of this case and the Sale Motion in this District is proper under 28 U.S.C. §§ 1408
20 and 1409.

21 B. The statutory predicates for the relief sought in the Sale Motion are
22 sections 105(a), 363 and 365 of the United States Bankruptcy Code, 11 U.S.C. §§ 101 *et*
23 *seq.* (as amended, the "Bankruptcy Code") and Rules 2002, 6004 and 6006 of the
24 Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

25 C. This Court has entered the Sale Procedure Order.

26
27 ⁵ Findings of fact shall be construed as conclusions of law and conclusions of law shall be
28 construed as findings of fact when appropriate. See Fed. R. Bankr. P. 7052.

1 ~~admitted to provide~~ ^{SB} D. As evidenced by the declarations of service filed with this Court,
2 ~~admitted to provide~~ notice under the circumstances of the Sale Approval Motion, the
3 Modified Assumption List, the Sale Procedures, the Sale Hearing, the Purchase
4 Agreement and the transactions contemplated thereby has been provided in accordance
5 with the Sale Procedure Order.

6 E. The sale price for the assets of the Debtor is greater than the
7 aggregate value of all liens on the Debtor's assets.

8 F. Good and sufficient reasons for approval of the Purchase
9 Agreement, and the sale (the "Sale") of the Transferred Assets as contemplated therein,
10 have been articulated. The relief requested in the Sale Approval Motion is in the best
11 interests of the Debtor, its bankruptcy estate, its creditors and other parties in interest.

12 G. The Debtor has demonstrated both (1) good, sufficient and sound
13 business purpose and justification and (2) compelling circumstances for the Sale other
14 than in the ordinary course of business, pursuant to section 363(a) of the Bankruptcy
15 Code, in that, among other things, the immediate consummation of the Sale to Purchaser
16 is necessary and appropriate to maximize the value of the Debtor's estate and the Sale
17 will provide the means for the Debtor to maximize distributions to creditors. Further,
18 closing the Sale to Purchaser in an expeditious manner is important due to: (1) the
19 Debtor's limited financial capabilities; (2) the performance of the Debtor's retail operations
20 below projections; (3) the debt burden weighing down the Debtor; (4) the risk that the
21 Debtor could run low or out of funds in the near future and be forced to discontinue
22 business operations; (5) the severe negative impact on the value of the Debtor's
23 business and assets if the Debtor were forced to cease operations; and (6) the risk that
24 delay could severely undermine the opportunity for creditor recovery in this case.

25 H. The Debtor has demonstrated that (1) no defaults exist under the
26 Assumed Contracts (real property leases and other executory contracts to be assumed
27 and assigned pursuant to the Sale) that give any non-Debtor party to an Assumed
28 Contract the right to a cure payment, other compensation on account of a default, or

1 (2) except as otherwise provided in this Order, the cure payments proposed to be paid by
2 Debtor in the Cure Schedule filed by the Debtor on June 26, 2008, including those listed
3 as zero, cures or provides adequate assurance or compensation for any default or actual
4 pecuniary loss relating to such defaults under sections 365(1) of the Bankruptcy Code.

5 I. Adequate assurance of future performance has been provided with
6 respect to the real property leases and other executory contracts to be assumed and
7 assigned in connection with the Sale and in accordance with the Purchase Agreement.

8 J. The Purchase Agreement was negotiated, proposed and entered
9 into by the Debtor and Purchaser, without collusion, in good faith and from arms' length
10 bargaining positions. Purchaser is not an "insider" of the Debtor, as that term is defined
11 in section 101 of the Bankruptcy Code.

12 K. The consideration provided by Purchaser pursuant to the Purchase
13 Agreement (1) is fair and reasonable, and (2) is the highest and best offer in terms of
14 value to the Debtor's bankruptcy estate for the Assets.

15 **ORDERED, ~~ADJUDGED AND DECREED~~ THAT:** 

- 16 1. The Sale Approval Motion is GRANTED.
- 17 2. All objections to the Sale Procedures, Auction, the Sale Approval
18 Motion and the relief requested therein that have not been withdrawn, waived, or settled,
19 and all reservations of rights included therein, are overruled on the merits.
- 20 3. The Purchase Agreement and all of the terms and conditions thereof,
21 including, but not limited to, the sale of the Transferred Assets in exchange for the
22 Purchase Price as set forth, and further detailed, in the Purchase Agreement, are hereby
23 approved.
- 24 4. The Purchase Agreement is modified as follows:
- 25 (a) Pro Rations: Within seven (7) business days following the
26 Closing, Seller, in cooperation with Purchaser, shall prepare a list allocating, on a
27 straight-line amortization basis with respect to such obligation, the post-Closing portion of
28 all prepaid expenses for the calendar month in which the Closing occurs relating to the

1 following: (a) all rent for the calendar month in which the Closing occurs paid by Seller
2 prior to the Closing with respect to the Assumed Leases, and (b) all payments for the
3 calendar month in which the Closing occurs made in connection with the Equipment
4 Leases and the New Breed contract, which payments cover obligations arising under
5 such Assumed Leases and Equipment Leases and New Breed contract from and after
6 the Closing through the end of the calendar month in which the Closing occurs.
7 Purchaser shall pay to Seller the post-Closing portion of such prepaid expenses via wire
8 transfer within fifteen (15) days following the Closing. In the event that the parties cannot
9 amicably resolve the allocation of prepaid expenses, either party may elect to submit
10 such dispute to the Bankruptcy Court for adjudication of such dispute.

11 (b) Assumed Liabilities: Pursuant to the Purchase Agreement,
12 the Purchaser was to assume those accounts payable listed in Schedule 1.3(a) as of the
13 Closing Date, with such payables not to exceed \$200,000. Purchaser has agreed to
14 assume all liabilities listed in Schedule 1.3(a), with such schedule to be updated as of the
15 Closing Date, on the condition that Purchaser is entitled to an adjustment against the
16 Purchase Price for any amount assumed in excess of \$200,000. The Purchaser shall
17 pay such obligations on the later of (1) 20 days after Closing, or (2) the due date of the
18 given obligation. Purchaser shall indemnify, defend and hold the Debtor and the Estate
19 harmless against any and all claims for non-payment of such accounts payable listed in
20 Schedule 1.3(a) as updated as of the Closing Date; provided, however, that Purchaser's
21 liability shall not exceed in any event the amount listed on such updated Schedule 1.3(a)
22 for the relevant claim or claims for which indemnification is owing.

23 (c) Inventory Adjustment: Seller and Purchaser acknowledge
24 and agree that (A) on July 4, 2008, Seller provided an Updated Inventory Statement as of
25 July 2, 2008, reflecting an Inventory cost of \$4,955,411.25, (B) Purchaser conducted an
26 Audit, pursuant to the results of which, there is no further Purchase Price Adjustment
27 pursuant to Section 1.10(d) of the Asset Purchase Agreement, and (C) pursuant to the
28 July 4, 2008 Updated Inventory Statement, the sole Purchase Price Adjustment pursuant

SulmeyerKupetz, A Professional Corporation
333 SOUTH HOPE STREET, THIRTY-FIFTH FLOOR
LOS ANGELES, CALIFORNIA 90071-1406
TEL. 213.626.2311 • FAX 213.626.4520

1 to Section 1.10 of the Asset Purchase Agreement is a decrease in the original Purchase
2 Price by \$144,588.75. In light of the continuance of the July 8, 2008 Approval Hearing, if
3 the Sale Motion is approved at such continued Approval Hearing, Seller and Purchaser
4 acknowledge and agree that (A) the parties shall cooperate in good faith in the
5 preparation of a further Updated Inventory Statement(s) consistent with the preparation of
6 the Updated Inventory Statement referenced above (the "Final Inventory Statement"), (B)
7 Seller shall use commercially good faith reasonable efforts to provide Purchaser with the
8 Final Inventory Statement within one (1) day prior to such continued Approval Hearing,
9 which statement shall reflect the cost of the Inventory at the close of business on the day
10 immediately prior to the date of the Final Inventory Statement, (C) the cost of the
11 Inventory on the Final Inventory Statement shall represent the cost of Inventory for
12 purposes of calculating the Purchase Price Adjustment under Section 1.10(a) of the
13 Asset Purchase Agreement, and there shall be no further adjustments to the Purchase
14 Price pursuant to Section 1.10 of the Asset Purchase Agreement; provided, however, that
15 there may be other adjustments to the Purchase Price agreed to by the parties as may be
16 reflected in motions before the Court or orders of the Court, (D) the parties shall request
17 that the Court "walk through" the Approval Order promptly following its preparation and
18 the parties' agreement thereto, and (E) the parties shall use commercially good faith
19 reasonable efforts to conduct the Closing the next business day following the entry of the
20 Approval Order.

21 5. Pursuant to sections 363(b) and (f) of the Bankruptcy Code, the
22 Debtor is authorized to consummate the Sale, pursuant to and in accordance with the
23 terms and conditions of the Purchase Agreement.

24 6. The Debtor is authorized to execute and deliver, and empowered to
25 perform under, consummate and implement, the Purchase Agreement, collectively with
26 all additional instruments and documents that may be reasonably necessary or desirable
27 to implement the Purchase Agreement, and to take all further actions as may be
28 requested by Purchaser for the purpose of transferring the Transferred Assets to

SulmeyerKupetz, A Professional Corporation
333 SOUTH HOPE STREET, THIRTY-FIFTH FLOOR
LOS ANGELES, CALIFORNIA 90071-1406
TEL 213.626.2311 • FAX 213.629.4520

1 Purchaser or as may be necessary or appropriate to the performance of the obligations
2 contemplated by the Purchase Agreement and the documents, agreements, certificates
3 and instruments in connection with the Purchase Agreement.

4 7. Except as expressly permitted or otherwise specifically provided for
5 in the Purchase Agreement or this Sale Order, pursuant to section 363(f) of the
6 Bankruptcy Code, the Transferred Assets shall be transferred to Purchaser, and, as of
7 the Closing Date, shall be free and clear of all Claims, Liens and interests of any kind or
8 nature whatsoever.

9 8. As of the Closing, the Assumed Contracts (real property leases and
10 other executory contracts) shall be assumed by the Debtor, and assigned to Purchaser
11 pursuant to section 365 of the Bankruptcy Code, to the extent applicable. The Debtor is
12 not assuming, at this time, the lease of the property located at 865 S. Figueroa Street,
13 Suite 2700, Los Angeles, California, and said lease will not be assigned to Purchaser.
14 The Right Start Acquisition Company shall guaranty the Purchaser's obligations under
15 the leases of non-residential real property that are assigned to it pursuant to this Order.
16 Upon the assumption by the Debtor and assignment to Purchaser of the Assumed
17 Contracts, Purchaser shall succeed to all of the right, title and interest of the Debtor
18 under the Assumed Contracts. With respect to each of the leased locations managed by
19 Taubman Cherry Creek Shopping Center, LLC ("Cherry Creek") and Bellevue Square
20 Managers, Inc. ("Bellevue"), as additional adequate assurance of future performance, the
21 Purchaser shall provide an irrevocable letter of credit covering three (3) months rent and
22 other charges (the triple net monthly charges) for said locations until the expiration of the
23 current term of such lease, not including any extensions or renewals of the leases. The
24 letters of credit shall be in a form acceptable to the each referenced landlord. The
25 Debtor and Purchaser will cooperate with the landlords and execute such other
26 documents as the landlords may reasonably require to memorialize the assignments of
27 the leases.

28

SulmeyerKupetz, A Professional Corporation
333 SOUTH HOPE STREET, THIRTY-FIFTH FLOOR
LOS ANGELES, CALIFORNIA 90071-1406
TEL. 213.626.2311 • FAX 213.626.4520

1 9. Pursuant to the agreement reached between the Purchaser and the
2 Macerich Company ("Macerich") and The Irvine Company, Inc. ("Irvine Co."); :

3 (a) Purchaser shall assume the liability and be assigned the credit for
4 any year-end adjustments and reconciliations for tax, common area maintenance and
5 other year-end adjustments under the leases for the following locations: Kierland
6 Commons; Scottsdale Fashion Square; Manhattan Village; Valley Fair (Westfield
7 Shoppingtown); and Sherman Oaks (Westfield Shopping).

8 (b) With respect to each of the leases of the Fashion Island, Kierland
9 Commons and Scottsdale Fashion Square locations, as additional adequate assurance
10 of future performance to Irvine Co. and Macerich, the Purchaser shall provide an
11 irrevocable letter of credit in an amount equal to three (3) months' rent and other monthly
12 charges (the triple net monthly amount) with such letters of credit expiring at the end of
13 the existing term of each lease, not including any extensions or renewals of the leases.

14 (c) If, in connection with the negotiation of the provision of adequate
15 assurance of future performance, Purchaser agrees to provide Cherry Creek or Bellevue
16 (the "Other Objecting Landlords") with a letter of credit (or similar form of additional
17 assurance, e.g. a deposit) covering more than three (3) months' rent and other monthly
18 charges (as measured by the lease terms with such Other Objecting Landlord), then
19 Buyer will provide Irvine Co. and Macerich with similar duration letters of credit (or similar
20 form of additional assurance), up to a maximum of six (6) months (as measured by the
21 terms of the leases with Irvine Co. and Macerich). For clarity, if Purchaser agrees to
22 provide an Other Objecting Landlord with a letter of credit equaling four (4) months rent
23 and other charges, then Purchaser will provide Irvine Co. and Macerich with letters of
24 credit equal to four (4) months of the respective monthly charges for the Fashion Island,
25 Kierland Commons and Scottsdale Fashion Square locations. If, however, Purchaser
26 agrees to provide such Other Objecting Landlord with a letter of credit equaling seven (7)
27 months rent and other charges, then Purchaser will provide Irvine Co. and Macerich with
28 letters of credit equal to six (6) months of the respective monthly charges for the Fashion

SulmeyerKupetz, A Professional Corporation
333 SOUTH HOPE STREET, THIRTY-FIFTH FLOOR
LOS ANGELES, CALIFORNIA 90071-1406
TEL. 213.626.2311 • FAX 213.629.4520

1 Island, Kierland Commons and Scottsdale Fashion Square locations. Purchaser, Irvine
2 Co., and Macerich agree that the metric for comparing letters of credit (or similar form of
3 additional assurance) is the relative months of coverage of rent and other charges under
4 the terms of the relevant leases, as opposed to the total financial value of each such
5 letter of credit (or similar form of additional assurance. The terms of this paragraph shall
6 apply even if the agreement between Purchaser and an Other Objecting Landlord is the
7 result of an order of the Court where Purchaser has elected to provide additional
8 adequate assurance to such Other Objecting Landlord rather than terminate the Asset
9 Purchase Agreement.

10 10. With respect to the lease of the property located in the Mall at Short
11 Hills, Short Hills, New Jersey (the "Short Hills Lease"), said lease shall not be assumed
12 and/or assigned to Purchaser. Instead, the Short Hills Lease will be terminated based
13 upon the agreement of the parties read on the record, and will be subject of a stipulation
14 to be submitted separately.

15 11. Except as otherwise provided herein, upon the assumption and
16 assignment of any Assumed Contract, the Debtor and its bankruptcy estate shall be
17 relieved of any liability for breach of any such Assumed Contract occurring after such
18 assignment pursuant to section 365(k) of the Bankruptcy Code.

19 12. Subject to the provisions hereof, no cure payment or other form of
20 compensation is required in connection with the assumption of any Assumed Contract,
21 except as specifically provided in the Cure Schedule. With respect to the objections to
22 the Cure Schedule (the "Cure Objections") filed by Maxtana, LLC ("Maxtana"), Irvine Co.;
23 Macerich; RREEF Management Company ("RREEF"), Westfield, LLC ("Westfield"); Short
24 Hills, Cherry Creek; and Bellevue the following procedures shall apply:

25 (a) A continued hearing on the Cure Objections will be conducted on
26 August 12, 2008, ^{at 2:00 pm} Replies to the Cure Objections by the Debtor or other interested
27 parties, including the Committee, must be filed by no later than August 1, 2008. ↪

28 The objecting landlords must file responses to any reply by no later than August 7.

1 2008. Pending the continued hearing on the Cure Objections, the Debtor shall hold in
2 trust an amount sufficient to pay the amount claimed by the objecting landlords in the
3 Cure Objections, less the amount in the Cure Schedule, less any payments received from
4 the Debtor pending the final hearing on the Cure Objections.

5 (b) With respect to the objections by Irvine Co, relating to unreconciled
6 common area maintenance and property tax charges, said landlord must present its
7 reconciliation of all amounts due through the closing to the Debtor and the Committee by
8 no later than 60 days from the entry of this order. The Debtor shall promptly pay said
9 amounts upon receipt of the reconciliation, unless there is a dispute as to the amount of
10 the reconciliation. In the case of a dispute, the Debtor will file an appropriate motion with
11 the Court seeking a resolution of the dispute. As further adequate assurance of future
12 performance with respect to the lease of Cherry Creek, the Purchaser shall assume the
13 liability and be assigned the credit for any year-end adjustments and reconciliations for
14 charges under the lease, including property tax and common area maintenance charges
15 incurred prior to the Closing, in accordance with the specific terms and conditions of the
16 lease.

17 (c) As adequate assurance of the cure of the asserted default relating to
18 the mechanics liens, including liens asserted by the general contractor, J. Hage
19 Construction, LLC ("J. Hage"), and certain subcontractors (the "Sub-Contractor Liens"),
20 arising out of the Debtor's construction of the store at the Cherry Creek Shopping Mall
21 (the "Cherry Creek Store") the Debtor shall reserve from the proceeds of the sale (the
22 "Sale Proceeds") in an interest bearing account the sum of \$202,000 (the "Cherry Creek
23 Escrow"), to be held by Debtor's counsel. No disbursements shall be made absent (a)
24 written consent of the Debtor, the Committee, and Taubman; or (b) further order of this
25 Court. Taubman, Debtor, the Committee, and J. Hage, shall agree to work in good faith
26 to agree on a mechanism for disbursement of the funds, which mechanism shall include
27 (a) payment and extinguishment of all liens recorded against the Cherry Creek Store; (b)
28 recordation of lien release bonds in the appropriate statutory form if there is a dispute as

Sulimovskiy Kupetz, A. Professional Corporation
333 SOUTH HOPE STREET, THIRTY-FIFTH FLOOR
LOS ANGELES, CALIFORNIA 90071-1406
TEL. 213.626.2311 • FAX 213.629.4520

1 to the amount of any lien filed by a subcontractor hired by J. Hage; or (c) a combination
2 of the foregoing. J. Hage's claims shall be satisfied in full by its receipt of the balance of
3 the Cherry Creek Escrow, after all Sub-Contractor Liens have been paid in full. In the
4 event that the Debtor, J. Hage, the Committee, and Taubman are unable to reach an
5 agreement regarding such mechanism, within 7 days of the issuance of this Order, any of
6 the parties may file a motion with the Court seeking a resolution of any disagreement in
7 this regard. Upon satisfaction of the claims related to the construction of the Cherry
8 Creek Store pursuant to these provisions, and satisfaction of provisions Section 5.01(b)
9 of the Lease, and Exhibit B, Section VI (F)1(a)-(f) to the Lease, Taubman shall promptly
10 pay to the Debtor the tenant allowance provided for under the Debtor's Lease, in the
11 amount of \$122,200. The payment shall be made pursuant to wire transfer instructions to
12 be provided by the Debtor.

13 13. With respect to any third-party claims asserted against a landlord
14 arising with respect to pre-Closing Date events for which landlord has a right of
15 indemnification under the terms of an applicable lease, nothing herein prevents such
16 landlord from exercising any rights it may have to the proceeds or benefits of any of
17 Debtor's insurance policies and/or to seek reimbursement of landlord's damages on
18 account of such third party claims.

19 14. Pursuant to 11 U.S.C. §365 and stipulation between New Breed, a
20 North Carolina Corporation ("New Breed"), the Debtor and Purchaser, the Debtor is
21 authorized to assume that certain executory contract between the Debtor and New Breed
22 entitled Warehousing, Fulfillment and Distribution Services Agreement and dated January
23 17, 2005 as it may have been subsequently amended and modified ("New Breed
24 Contract") and to assign said New Breed Contract to the Purchaser. Right Start
25 Acquisition Company shall guaranty the obligations of the Purchaser under the assigned
26 and amended New Breed Contract. The terms and conditions upon which the Debtor is
27 authorized to assume and assign the New Breed Contract are more fully set forth in that
28 certain Term Sheet attached hereto as Exhibit 2 to this Order. In addition to the terms as

1 set forth in Exhibit 2 the following terms and conditions shall apply as conditions
2 precedent to full consummation of the assumption and assignment of the New Breed
3 Contract:

4 (a) The cure payment asserted by New Breed is \$314,640.31. The
5 amount which New Breed will accept to fully satisfy its cure claim is \$157,320.16 (the
6 "Cure Amount"). The Cure Amount shall be paid upon the Closing of the sale as defined
7 herein.

8 (b) Upon Closing, the Debtor and the Debtor's estate waive any and all
9 causes of action which it may have against New Breed under 11 U.S.C. §§544, 545, 547,
10 548 and 549. Said waiver shall be binding upon the Debtor's successors and assigns,
11 and in the event of the appointment of a Chapter 11 trustee or conversion to Chapter 7
12 and the appointment of a Chapter 7 trustee, such trustees.

13 (c) The notice required to be given before termination of the New Breed
14 Contract shall be 120 days.

15 (d) Upon payment of the Cure Amount and consummation of the
16 assumption and assignment of the New Breed Contract as provided for herein, New
17 Breed waives any and all claims which it may have in the estate of the Debtor, or the
18 Transferred Assets.

19 Further terms and conditions as set forth in Exhibit 2 set forth the substance
20 of the stipulation between the Debtor, New Breed and the Purchaser which modify the
21 underlying New Breed Contract and do not provide full and complete cure of the pre-
22 petition defaults of the Debtor regarding the New Breed Contract. Notwithstanding, the
23 terms and conditions set forth in Exhibit 2 New Breed shall not be required to accept the
24 assumption and assignment of the New Breed Contract unless and until the terms and
25 conditions as set forth in Exhibit 2 have been fully and completely documented in a fully
26 executed Assignment Agreement acceptable to the Debtor, New Breed and the
27 Purchaser. Except as modified by the Assignment Agreement the New Breed Contract
28 shall remain in full force and effect upon execution of the contemplated Assignment

1 Agreement with the proviso that all modifications as set forth in Exhibit 2 as to pricing and
2 minimums shall become effective upon the first business day following Closing. The
3 Purchaser, New Breed and the Debtor shall act in good faith in negotiating, documenting
4 and executing such an Assignment Agreement within 15 calendar days from the date of
5 entry of this Order the New Breed Contract . In the event that the parties cannot reach
6 an agreement regarding the specific terms and conditions of the Assignment Agreement,
7 the Court shall retain jurisdiction to resolve any such disputes.

8 15. Notwithstanding any other provision contained in this Order, the
9 assumption and assignment of the Oracle license as listed in Schedule 1.1(h) to the
10 Purchase Agreement and the Modified Assumption List is approved subject only to final
11 documentation of an appropriate assumption and assignment agreement reasonably
12 acceptable to Oracle and the Purchaser.

13 16. The transfer of the Assets to Purchaser pursuant to the Purchase
14 Agreement constitutes a legal, valid and effective transfer of the Assets, and shall vest
15 Purchaser with all right, title and interest of the Debtor in and to the Assets free and clear
16 of all Liens, Claims and interests of any kind or nature whatsoever.

17 17. On the Closing Date, this Order shall be construed and shall
18 constitute for any and all purposes a full and complete general assignment, conveyance
19 and transfer of the Assets or a bill of sale transferring good and marketable title in the
20 Assets to Purchaser.

21 18. With respect to the claim of Wachovia Capital Finance Corporation
22 (Western), the Debtor is authorized and shall pay, at the Closing of that portion of
23 Wachovia's claim agreed by the Debtor and the Committee to be undisputed. The
24 Debtor shall segregate funds sufficient to cover (a) the disputed portion of Wachovia's
25 claim, if any, (b) interest on disputed portion of Wachovia's claim, (c) attorney's fees to
26 litigate over disputed portion of Wachovia's claim (in an amount to be agreed upon by the
27 Debtor, the Committee and Wachovia), (d) Wachovia's attorneys fees and costs for the
28 month of July, 2008 according to proof provided by Wachovia; and (e) Wachovia's

1 disputed claim for post-petition default interest. The Debtor, Committee and Wachovia
2 shall request that the Court set a briefing schedule to resolve any dispute regarding
3 Wachovia's claim.

4 19. This Order is and shall be effective as a determination that, all Liens
5 shall be, and are, without further action by any person or entity, released with respect to
6 the Transferred Assets as of the Closing Date and shall attach to the Sale proceeds with
7 the same validity and priority as existed with respect to the Transferred Assets.

8 20. The transactions contemplated by the Purchase Agreement are
9 undertaken by Purchaser in good faith, as that term is used in section 363(m) of the
10 Bankruptcy Code and, accordingly, the reversal or modification on appeal of the
11 authorization provided herein to consummate the Sale shall not affect the validity of the
12 Sale to Purchaser, unless such authorization is duly stayed pending such appeal.
13 Purchaser is a good faith purchaser of the Transferred Assets, and is entitled to all of the
14 benefits and protections afforded by section 363(m) of the Bankruptcy Code.

15 21. This Court retains jurisdiction to enforce and implement the terms
16 and provisions of the Purchase Agreement, all amendments thereto, any waivers and
17 consents thereunder, and including, without limitation, any and all documents,
18 instruments, certificates and agreements entered into in connection with the Purchase
19 Agreement, in all respects, including, but not limited to, retaining jurisdiction to (a) compel
20 delivery of the Transferred Assets to Purchaser, (b) resolve any disputes arising under or
21 related to the Purchase Agreement, except as otherwise provided therein, and (c)
22 interpret, implement and enforce the provisions of this Sale Order.

23 22. All entities who are presently, or on the Closing Date may be, in
24 possession of some or all of the Assets hereby are directed to surrender possession of
25 the Assets either to (a) the Debtor prior to the Closing Date, for subsequent transfer to
26 Purchaser on the Closing Date, or (b) to Purchaser on the Closing Date.

27 23. On or before the Closing Date, each of the Debtor's secured
28 creditors is authorized and directed to execute and deliver such documents and take all

SulmeyerKupatz, A Professional Corporation
333 SOUTH HOPE STREET, THIRTY-FIFTH FLOOR
LOS ANGELES, CALIFORNIA 90071-1406
TEL 213.628.2311 • FAX 213.628.4520

1 other actions as may be necessary to release its Liens and interests in the Transferred
2 Assets, if any, as such Liens and interests may have been recorded or otherwise exist.

3 24. The Purchase Agreement and any related agreements, documents
4 or other instruments may be modified, amended or supplemented by the parties thereto,
5 in a writing signed by such parties, and in accordance with the terms thereof, without
6 further order of the Court, provided that any such modification, amendment or
7 supplement does not have a material adverse effect on the Debtor or its estate.

8 25. The failure specifically to include any particular provision of the
9 Purchase Agreement in this Sale Order shall not diminish or impair the effectiveness of
10 such provisions, it being the intent of the Court that the Purchase Agreement be
11 authorized and approved in its entirety.

12 26. Immediately upon the entry of this Order, this Order will constitute a
13 final and appealable order within the meaning of 28 U.S.C. § 158(a). This Order shall be
14 effective immediately upon entry and the ten-day stay provisions pursuant to Bankruptcy
15 Rules 6004(g) and 6006(d) are hereby waived.

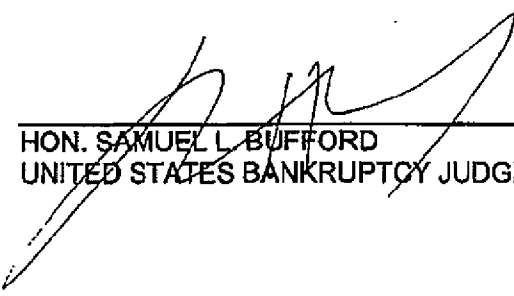
16 27. Pursuant to the order ("ABKC Employment Order") approving the
17 Employment of Alexander B. Kasdan Company ("ABKC"), as Investment Banker for the
18 Debtor, the ABKC is entitled to be paid its Transaction Fee (as that term is defined in the
19 ABKC Employment Order) upon the closing of the proposed Sale. It is hereby ordered
20 that the Debtor is authorized and directed to pay to ABKC at, and as a condition of,
21 Closing, a fee of \$330,000. Payment of this fee will constitute payment in full of any fee
22 owed to ABKC by the Debtor and/or the bankruptcy estate. The Debtor is authorized
23 and directed to pay the fee on Closing of the Sale.

24
25
26
27
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

28. The Stipulation between Debtor, Official Unsecured Creditors' Committee, and "Bridge Lenders", Oak Investment Partners, IX, Oak IX Affiliates Fund, Oak IX Affiliates Fund-A, GRP II, L.P., GRP II Partners, L.P., And GRP II Investors, L.P. Regarding Ancillary Issues Related To Sale Approval Motion, is approved.

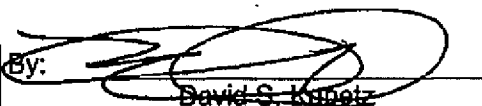
DATED: 7/16/08



HON. SAMUEL L. BUFFORD
UNITED STATES BANKRUPTCY JUDGE

PRESENTED BY:

SulmeyerKupetz
A Professional Corporation

By: 

David S. Kupetz
Mark S. Horouplan
Attorneys for eStyle, Inc., Debtor in Possession

SulmeyerKupetz, A Professional Corporation
333 SOUTH HOPE STREET, THIRTY-FIFTH FLOOR
LOS ANGELES, CALIFORNIA 90071-1406
TEL 213.626.2311 • FAX 213.629.4520

SulmeyerKupetz, A Professional Corporation
333 SOUTH HOPE STREET, THIRTY-FIFTH FLOOR
LOS ANGELES, CALIFORNIA 90071-1406
TEL. 213.626.2311 • FAX 213.629.4620

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

NOTICE OF ENTRY SERVICE LIST

VIA E-MAIL

VIA U.S. MAIL

Office of the United States Trustee
Attn: Bruce Schildkraut, Esq.
Ernst & Young Plaza
725 South Figueroa Street, 26th Floor
Los Angeles, CA 90017
Bruce. Schildkraut@usdoj.gov

Attorney for Debtor
David S. Kupetz, Esq.
SulmeyerKupetz
333 So. Hope Street, 35th Floor
Los Angeles, CA 90071
dkupetz@sulmeyerlaw.com

Attorney for Committee of Unsecured Creditors
Craig G. Margulies, Esq.
Ian S. Landsberg, Esq.
Landsberg Margulies LLP
16030 Ventura Blvd., Ste. 470
Encino, CA 91436-2731
cmargulies@lm-lawyers.com
ilandsberg@lm-lawyers.com

Thomas Pampush, Esq.
Schottenstein, Zox & Dunn Co., LPA
250 West Street, Ste.700
Columbus, Ohio 43215
tpampush@szd.com
rouellette@szd.com

SulmeyerKupetz, A Professional Corporation
333 SOUTH HOPE STREET, THIRTY-FIFTH FLOOR
LOS ANGELES, CALIFORNIA 90071-1406
TEL 213.626.2311 • FAX 213.629.4520

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28

EXHIBIT 1

Purchase Agreement

(see attached)

[MSH\ORD\520783.1]

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (the "*Agreement*"), dated as of June 18, 2008, (the "Effective Date") is entered into by and between TRS ACQUISITION SUBSIDIARY, INC., a Delaware corporation, dba THE RIGHT START ("*Purchaser*"), and ESTYLE, INC., a Delaware corporation, dba babystyle, Cadeau, and Cadeau Designs ("*Seller*").

WITNESSETH:

WHEREAS, Seller is a multi-channel retailer that sells maternity, baby and kids apparel and toys, gear and related products direct to the consumer (the "*Business*").

WHEREAS, Purchaser is a portfolio company of Hancock Park Capital II, L.P., a Delaware limited partnership ("*Hancock Park*").

WHEREAS, on March 19, 2008 (the "*Petition Date*"), Seller filed its voluntary petition for relief under Chapter 11 of Title 11 of the United States Code, as may be amended from time to time (the "*Bankruptcy Code*") commencing a Chapter 11 case (Case No. 2:08-bk-13518-SB) (the "*Bankruptcy Case*") in the Central District of California, Los Angeles Division (the "*Bankruptcy Court*").

WHEREAS, Seller is currently operating its business and managing its property as a debtor-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code, and is interested in selling certain of its assets pursuant to the terms and conditions contained herein.

WHEREAS, Purchaser desires to acquire from Seller certain of Seller's operating assets pursuant to a purchase of assets out of bankruptcy under Section 363 of the Bankruptcy Code, all on the terms and subject to the conditions set forth in this Agreement.

WHEREAS, to affect such purchase and sale, Purchaser and Seller are entering into this Agreement, and Seller will seek approval of the sale procedures by the Bankruptcy Court and conduct a related auction in the Bankruptcy Case, pursuant to the terms and conditions as set forth below.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. PURCHASE AND SALE OF ASSETS.

1.1 Purchase and Sale. On the terms and subject to the conditions contained herein, Seller agrees to sell, transfer, convey, and assign to Purchaser, and Purchaser agrees to purchase and acquire from Seller, on the Closing Date (as hereinafter defined), all of Seller's right, title, and interest in and to all of the operating assets and properties of Seller (collectively, the "Transferred Assets"), including, without limitation, the following: (a) those certain leases in which Seller is the lessee with respect to those certain 11 BabyStyle retail locations and the Cadeau New York location listed in Schedule 1.1(a) (collectively, the "*Assumed Leases*"), (b) all equipment owned by Seller at the locations set forth on Schedule 1.1(a) (the "*Approved Locations*") as of the Closing Date and/or equipment leased to Seller and located at the Approved Locations as of the Closing Date as set forth in Schedule 1.1(b) (the "*Equipment Leases*"), (c) all inventory of Seller as of the Closing Date, including, without limitation, inventory purchased but not yet received (the "Inventory"), (d) all trademarks, trade names, service marks, domain names and other intellectual property rights (provided, however, that the parties acknowledge and agree that Seller may continue to use the name "eStyle" in connection with the Bankruptcy Case and the administration and winding up of the bankruptcy estate through the closing of the Bankruptcy Case)

owned by Seller and used in the operation of the Business as of the Effective Date, (e) all other supplies, equipment, machinery, furniture, fixtures, and other tangible property owned or licensed by the Seller or used by the Seller as of the Closing Date in connection with the Business; (f) all proprietary knowledge, trade secrets, technical information, quality control data, processes (whether secret or not), methods, and other similar know-how or rights necessary or used in the conduct of the Business, including, but not limited to, the areas of marketing, advertising, and personnel training and recruitment; (g) except as otherwise set forth in Section 1.2 below, all of the Seller's utility, security, and other deposits and prepaid expenses relating to the Approved Locations; (h) the Business as a going concern including its goodwill and, to the extent transferable, its franchises, permits, licenses, approvals, orders, registrations, certificates, variances, and similar rights obtained from governments and governmental agencies, telephone numbers, employee and applicant lists, customer lists, vendor lists, email address lists of whatever kind, format, or purpose, referral lists, advertising materials and data; (i) those contracts, restrictive covenants, choses in action and similar obligations owing to the Seller from present and former shareholders, officers, employees and agents, as set forth on Schedule 1.1(h) (the "Assigned Contracts"); and (j) Seller's books and records relating primarily to the Transferred Assets and/or the Assumed Liabilities (the "Transferred Records"), including, without limitation, as it relates to either or both of the Transferred Assets and the Assumed Liabilities, Seller's computer software and computer software licenses (whether or not assignable according to their terms), files (whether paper, digital, or otherwise), passwords, aggregated data collected, held, or otherwise used or accessed by the Seller or any other third party on behalf of the Seller, databases, papers, records, ledgers, correspondence, plats, architectural plans, drawings, and specifications, creative materials, advertising and promotional materials, studies, reports, and other printed or written material, and other data of the Seller relating to the assets, properties, business, and operations of the Business pertaining solely to the Transferred Assets and/or the Assumed Liabilities. The parties acknowledge that Seller is negotiating with the lessor of the corporate offices of Seller to modify the terms of such lease (the "Corporate Office Lease"). If the modified terms of the Corporate Office Lease are acceptable to Purchaser, in its sole discretion, then the Corporate Office Lease, as so modified, shall be included in the Assumed Leases for all purposes under this Agreement; provided, however, that if the Corporate Office Lease is not accepted by Purchaser, such Corporate Office Lease shall be deemed an Excluded Asset pursuant to Section 1.2 below. Except as expressly set forth in this Agreement, the Transferred Assets that are being sold and transferred by the Seller shall be conveyed to and accepted by Purchaser at the Closing in an "as is," "where is" and "with all faults" condition, free of any warranties or representations whatsoever, whether express or implied, patent or latent. **EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, SELLER EXPRESSLY DISCLAIMS ANY AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT THERETO.**

1.2 Excluded Assets. Notwithstanding anything to the contrary contained herein, the Transferred Assets shall not include any and all of Seller's right title and interest in and to the following (collectively, "Excluded Assets"): (a) all cash and cash equivalents; (b) all accounts receivable; (c) those contracts, restrictive covenants, choses in action and similar obligations owing to the Seller set forth in Schedule 1.2(c) (the "Non-Assigned Contracts"); (d) all deposits, reserves, and rights of payment due Seller in connection with credit card purchases and/or maintained by Seller's merchant processors or other card issuers conducting credit card processing (including, without limitation, all consideration due Seller under credit card processing agreements); (e) to the extent that Seller cures the Approved Lease at the "Cherry Creek" location, Seller shall be entitled to that portion of any tenant improvements that represents the portion of such improvements that have been completed as of the Closing Date or for which Seller has a right of recovery as of the Closing Date (including, without limitation, any credits, rights or payments resulting in connection therewith); (f) any and all other claims, deposits, prepayments, refunds, rebates, causes of action, rights of recovery, rights of set-off and rights of recoupment relating to (i) any asset other than a Transferred Asset, (ii) any claims and causes of action under sections 544 through 550 of the Bankruptcy Code (including, without limitation, any preference or fraudulent

conveyance recoveries of Seller under applicable law), and all other claims or causes of action under any other provision of the Bankruptcy Code or applicable laws, (iii) insurance, including, without limitation, any workman's compensation or other insurance refunds, rebates or recoveries, (iv) utility, leasehold or pre-payment interests, including, without limitation, any leasehold security deposits, or prepayment deposits, rights, or refunds relating to real property locations other than the Approved Locations, Equipment Leases and/or the Assigned Contracts, and (f) state or federal tax refunds; and (g) all of Seller's books and records other than the Transferred Records.

1.3 Assumption of Liabilities.

(a) Purchaser hereby agrees to assume the following obligations of Seller as of the Closing (collectively, the "Assumed Liabilities"): (1) the Assumed Leases, (2) the Equipment Leases, (3) those accounts payable of Seller incurred following the Petition Date as set forth in Schedule L.3(a), as such may be amended from time to time by Seller (the "Assumed Accounts Payables"); provided, however, that the Purchaser shall only assume the Assumed Accounts Payable up to a maximum aggregate amount of \$200,000; (4) the Assigned Contracts; (5) accrued vacations incurred in connection with those employees of Seller who are offered and accept employment with Purchaser in an amount not to exceed, for any such employee, two (2) weeks of accrued vacation per any such employee.

(b) Except for the Assumed Liabilities and any and all obligations of Purchaser under this Agreement, Purchaser will not assume any other liabilities or obligations of Seller, or of any affiliate or related person or entity of Seller, of any type or nature whatsoever. Purchaser will not assume any liability for any cure amount owed by Seller to any lessor under the Assumed Leases or the Equipment Leases under Section 365(b)(1) of the Bankruptcy Code.

1.4 Taxes. All transfer, documentary, sales, use, registration, value-added and other similar taxes and related fees (including, without limitation, any penalties, interest and additions to taxes) (collectively, "Taxes") imposed by any governmental body or authority in any jurisdiction in connection with the transaction contemplated herein or in connection with this Agreement, to the extent not exempt under Section 1146(c) of the Bankruptcy Code or as otherwise provided in the Approval Order (as defined in Section 5.4) with respect to expressly relieving Purchaser from any such liability, shall be paid by Purchaser, and shall be deemed an additional Assumed Liability hereunder. Seller and Purchaser shall cooperate in timely making all filings, returns, reports and forms as may be required to comply with the provisions of all laws relating to such Taxes, and to the extent any exemptions from such Taxes are available, Seller shall use commercially reasonable good faith business efforts to cooperate with Purchaser in the preparation of any certificates or other documents necessary to claim such exemptions.

1.5 Allocation. The parties agree that, prior to the Closing Date, they or their representatives shall in good faith allocate the Purchase Price (as defined below) among the Transferred Assets in conformity with Section 1060(b) of the Internal Revenue Code of 1986, as amended (the "Tax Code") and the regulations promulgated thereunder. Seller agrees to cooperate in good faith in filing all information required by Section 1060(b) of the Tax Code and the regulations thereunder, and to take no position on any income tax return, report or filing inconsistent with, such allocation.

1.6 Purchase Price. In consideration of the sale, transfer, conveyance and assignment of all the Transferred Assets to Purchaser at the Closing (the "Purchase Price"), Purchaser shall (a) assume the Assumed Liabilities and (b) pay to Seller the sum of FIVE MILLION FIVE HUNDRED THOUSAND AND 00/100 U.S. DOLLARS (\$5,500,000.00), subject to adjustment as set forth in Section 1.10 below (collectively, the "Cash Purchase Price"). The parties agree that the Purchase Price is fair value for the Transferred Assets pursuant to the transaction and agree that the Purchase Price was negotiated at arm's length and in good faith.

1.7 **Payment of Cash Purchase Price.** Purchaser shall pay to Seller at the Closing the Cash Purchase Price by wire transfer pursuant to the wire transfer instructions as set forth in Schedule 1.7, as such may be amended from time to time by Seller (the "*Wire Instructions*").

1.8 **Closing and Closing Date.** The consummation of the transaction contemplated in this Agreement (the "*Closing*") shall take place at such location as agreed to by the parties in writing, which Closing shall occur within three (3) business days following the issuance of the Approval Order (as such term is defined in Section 5.4(b) below) (the "*Closing Date*").

1.9 **Transactions and Documents at Closing.**

(a) At the Closing:

(1) Purchaser shall pay to Seller the balance of the Cash Purchase Price as set forth in Section 1.7 above.

(2) Seller shall convey to Purchaser all of Seller's right, title and interest in and to the Transferred Assets, free and clear of all liens, claims, charges, encumbrances, assessments, security and other interests, leases, licenses, and restrictions of any kind or character, including, without limitation, those relating to taxes of any nature (the "*Liens*") other than those claims, charges, assessments, leases, licenses and obligations arising in connection with or relating to the Transferred Assets and/or the Assumed Liabilities (the "*Permitted Claims*"), and, in furtherance thereof, Seller shall deliver to Purchaser (A) a Bill of Sale in customary form for transactions of this type (the "*Bill of Sale*"), (B) a General Assignment of Intellectual Property Rights (the "*General Assignment*"), and (C) such other deeds, bills of sale, assignments, powers of attorney, certificates of title, documents and other instruments of transfer and conveyance as Purchaser and its legal counsel shall reasonably request, including, without limitation assignments of patents, patent applications, trademarks, service marks, copyrights and other intellectual property in form and substance satisfactory to Purchaser.

(3) Purchaser shall execute and deliver to Seller an executed General Assignment and an Assignment and Assumption Agreement in customary form for transactions of this type (the "*Assumption Agreement*").

(4) Purchaser shall execute and deliver the certificates as set forth in Sections 7.4 and 7.5 of this Agreement.

(5) Seller shall execute and deliver the certificates as set forth in Sections 6.3 and 6.4 of this Agreement.

(6) Purchaser shall cause Hancock Park to execute and deliver to Seller such documentation as Seller may reasonably request to confirm that Hancock Park's obligations under that certain Joinder attached hereto and incorporated herein (the "*Joinder*"), which Purchaser shall deliver concurrent with the execution and delivery of this Agreement, remain valid, binding and enforceable as of and through the Closing Date.

(7) Seller shall deliver to Purchaser a copy of the Approval Order.

(b) All deliveries, payments, and other transactions and documents relating to the Closing shall be interdependent, and none shall be effective unless and until all are effective (except to the extent that the party entitled to the benefit thereof has waived satisfaction or performance thereof as a condition precedent to Closing).

1.10 Adjustments to Purchase Price.

(a) The sole adjustment to the Purchase Price shall be as set forth in this Section 1.10. The Cash Purchase Price shall be increased or decreased, as the case may be, on a dollar-for-dollar basis, by the amount, if any, by which the costs of the Inventory, as reflected on the Updated Inventory Statement (as defined below), exceeds or is less than, respectively, Five Million One Hundred Thousand and 00/100 U.S. Dollars (\$5,100,000) (the "Purchase Price Adjustment").

(b) Seller shall deliver to Purchaser promptly following the Effective Date a statement reflecting the Inventory of Seller as of such date (the "Interim Inventory Statement"), which shall reflect the costs of the Inventory, based on the historical costs of the Inventory as reflected on Seller's books and records, and in accordance with generally accepted accounting principles ("GAAP") applied on a basis consistent with the basis applied in the preparation of Seller's books and records ("Costs"), and shall include, without limitation, inventory which may be reflected as being purchased and not yet received by or on behalf of Seller as of such date.

(c) Subsequently, no later than three (3) days prior to the Approval Hearing (as defined below), Seller shall deliver to Purchaser an updated Inventory statement reflecting subsequent purchases and sales of Inventory from and after the preparation of the Interim Inventory Statement by Seller as provided above (the "Updated Inventory Statement"), which shall reflect the Costs as determined above, and shall include, without limitation, inventory which may be reflected as being purchased and not yet received by or on behalf of Seller as of such date. The parties shall cooperate in the preparation of the final determination of the Inventory as set forth in the Updated Inventory Statement.

(d) Purchaser may, in its discretion, conduct a physical audit (and any reasonably necessary updates thereto) of the Inventory of Seller, along with representatives of Seller (who shall cooperate in good faith), to ascertain the validity of the items of inventory reflected on the Updated Inventory Statement, and the corresponding value of such inventory based on the number of units of inventory multiplied by the applicable Costs of such inventory (the "Audit"); provided, however, that Purchaser shall provide Seller with the results of the Audit not less than two (2) days prior to the Approval Hearing. The Audit shall employ a reasonably appropriate sample size in the mutual good faith discretion of both Purchaser and Seller in connection with such analysis.

(1) In the event that, as a result of the Audit, the physical examination employing the accepted sample size reflects that the quantity of such Inventory, on an aggregate basis, is not less than ninety-eight percent (98%) of the quantity of such items of Inventory as reflected on the Updated Inventory Statement, on an aggregate basis, the parties acknowledge and agree that the Purchase Price Adjustment relating thereto shall be zero; and

(2) In the event that, as a result of the Audit, the physical examination employing the accepted sample size reflects that the actual quantity of such Inventory, on an aggregate basis, is less than or equal to ninety-eight percent (98%) of the quantity of such items of Inventory as reflected on the Updated Inventory Statement, on an aggregate basis, the parties acknowledge and agree that the Purchase Price Adjustment shall be an amount equal to the sum of (X) the percentage variance as determined pursuant to such Audit multiplied by (Y) the value of the Inventory as measured by the sum of the quantity of Inventory as reflected on the Updated Inventory Statement multiplied by the applicable Costs for each such units of Inventory.

(e) In the event that there is any dispute as to the suggested adjustment to the Updated Inventory Statement, the parties shall in good faith work to resolve such dispute; provided, however, that in the event that the parties cannot amicably resolve such dispute, if any, either party may

elect to submit such dispute to the Bankruptcy Court for adjudication of such dispute. The findings by the Bankruptcy Court as to the value of the Inventory as reflected on the Updated Inventory Statement shall be valid and binding on the parties hereto. All costs and expenses incurred by the Purchaser in connection with the audits and review of the statements as provided herein shall be paid by Purchaser.

1.11 Asset Transfer; Passage of Title; Delivery.

(a) **Title Passage.** Except as otherwise provided herein, upon the Closing (and subject to satisfaction of all of Purchaser's obligations in connection therewith, including, without limitation, receipt by Seller of the entire amount of the Cash Purchase Price), title, free and clear of all Liens, except Permitted Claims, to all of the Transferred Assets shall pass to Purchaser, and Seller shall make available to Purchaser possession of all of the Transferred Assets as provided in subsection 1.11(b).

(b) **Delivery of Transferred Assets.** On the Closing Date, Seller shall make available to Purchaser possession of the Transferred Assets; provided, however, that (1) the expenses of retrieving, removing and transferring the Transferred Assets shall be borne exclusively by Purchaser, (2) Purchaser shall retrieve, remove and/or transfer the Transferred Assets within five (5) days following the Closing Date.

(c) **Retention of Documents.** Prior to the Closing, Seller shall make available to Purchaser upon reasonable prior written notice, and, as reasonable and appropriate, the Transferred Records, and permit Purchaser to review and make copies as reasonable and appropriate; provided, however, that (i) Seller does not have any delivery obligation whatsoever hereunder with respect to the Transferred Records until the Closing, and has no delivery obligation whatsoever with respect to Seller's books and records that are not Transferred Records, and (ii) Purchaser shall be solely responsible for all costs and expenses incurred by Purchaser in connection with copying charges the Transferred Records prior to Closing. Following the Closing, Seller shall be entitled, upon reasonable notice to Purchaser and at its sole cost and expense, to make copies of the Transferred Records for retention by Seller to comply with any applicable legal requirements.

1.12 **Joinder.** Concurrent with the execution and delivery of this Agreement, Hancock Park shall execute and deliver that certain Joinder, the form of which is attached hereto as Exhibit A (the "Joinder").

2. ADDITIONAL AGREEMENTS.

2.1 **Purchaser's Access and Inspection.** Subject to the provisions of Section 2.6 below, from and after the date hereof until the earlier of (i) the Closing or (ii) the termination of this Agreement, Seller shall use commercially reasonable efforts to provide Purchaser and its authorized representatives with commercially reasonable access during reasonable times, and as Purchaser may reasonably request, to the Transferred Assets and the books and the Records for the purpose of investigation relating to the Transferred Assets; provided, however, that such access and right of investigation as provided in this Section 2.1 shall not be deemed to affect Purchaser's obligation to consummate the transaction contemplated herein. No investigation made heretofore or hereafter by Purchaser shall limit or affect the representations, warranties, and covenants of Seller hereunder.

2.2 **Cooperation; Bankruptcy Court Approvals.** Each party shall use commercially reasonable good faith efforts to assist the other party and cooperate with its respective legal counsel and accountants in connection with any steps required to be taken as part of their respective obligations under this Agreement (including, without limitation, the obtaining of the approval of the Bankruptcy Court for the transactions contemplated herein), and all parties shall use their commercially reasonable good faith

efforts to consummate the transactions contemplated herein and to fulfill their obligations hereunder. Each of Purchaser and Seller agree to use its commercially reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper, or advisable to satisfy the conditions to the other party's obligation to consummate and make effective the transactions contemplated by this Agreement; provided, however, that nothing contained herein shall represent a covenant or guaranty of approval, completion or success with respect to any or all such procedures.

2.3 **Expenses.** Unless otherwise set forth in this Agreement, all expenses incurred by Purchaser in connection with the authorization, preparation, execution, and performance of this Agreement, including, without limitation, all fees and expenses of agents, representatives, counsel, and accountants for Purchaser, shall be obligations of Purchaser. All expenses incurred by Seller in connection with the authorization, preparation, execution, and performance of this Agreement, including, without limitation, all fees and expenses of agents, representatives, counsel, and accountants for Seller, shall be obligations of Seller.

2.4 **Brokers.** Each party hereto represents and warrants to the other party that no broker or finder has acted on its behalf in connection with this Agreement or the transaction contemplated herein, except that Alexander B. Kasdan Company Limited has been retained by Seller, the fees of which shall be the obligation of Seller. Seller shall indemnify Purchaser and hold Purchaser harmless from and against any and all claims or demands for commissions or other compensation by any broker, finder or similar agent claiming to have been employed by or on behalf of Seller, including, without limitation, Alexander B. Kasdan Company Limited. Purchaser shall indemnify Seller and hold Seller harmless from and against any and all claims or demands for commissions or other compensation by any broker, finder or similar agent claiming to have been employed by or on behalf of Purchaser.

2.5 **Employees.** Purchaser shall not be liable for severance obligations (including without limitation, obligations to provide health or retirement benefits), if any, to any of Seller's employees resulting from or arising out of the transactions contemplated by this Agreement. Purchaser is hereby authorized, subject to the provisions of Section 2.6 below, to contact any employee of Seller after the Effective Date hereof to discuss such employee's potential employment with Purchaser following the Closing; provided, however, that the parties acknowledge and agree that Purchaser shall have no obligation to offer employment to any officer or employee of Seller following the Closing, and that the failure of any employee to accept employment with Purchaser shall not in any manner affect Purchaser's obligation to consummate the transactions as contemplated herein.

2.6 **Confidentiality.** As a condition of entering into this Agreement and discussing the transaction contemplated herein, Purchaser represents, warrants and covenants to Seller that:

(a) Except as required by applicable law, or as mutually agreed upon by the parties in writing, Purchaser may not disclose to any person or entity any confidential, secret, or proprietary information of or regarding Seller ("**Confidential Information**"), including, without limitation, any Confidential Information obtained by Purchaser, its directors, officers, partners, employees, agents, accountants, lawyers, lenders, investment bankers, or other financial or professional advisors or consultants (each a "**Representative**") and their respective successors, heirs and assigns, during its due diligence investigation of Seller. Seller makes no representations or warranties as to the accuracy or completeness of the Confidential Information. Purchaser shall hold all Confidential Information of Seller in confidence and shall protect the same with reasonable care.

(b) Purchaser and its authorized Representatives shall use the Confidential Information solely for the purposes relating to the transaction contemplated in this Agreement and shall restrict disclosure of Confidential Information solely to its Representatives for purposes relating to the

transaction contemplated hereby and consistent with the terms and conditions of the Confidentiality Agreement. Purchaser shall at all times cause its Representatives to comply with the terms of this Section 2.6 and shall be liable for any breach of those terms by any of its Representatives.

(c) In the event that the Agreement is not consummated, or upon Seller's request, Purchaser and its Representatives shall (i) return all Confidential Information (whether in Purchaser's possession or in the possession of any of Purchaser's Representatives), including all copies, extracts or other reproductions in whole or in part thereof, and any other tangible materials, whether in writing or stored or maintained in or by electronic, magnetic or other means, media or devices, and (ii) destroy any analyses, compilations, studies or other documents which may have been generated by Purchaser from or by reference to, or which contain any portion of, the Confidential Information, such destruction to be certified in writing by an authorized officer of Purchaser.

(d) Purchaser recognizes and agrees that in the event of a breach by it of this Section 2.5, money damages would not be an adequate remedy to Seller for such breach and, even if money damages were adequate, it would be impossible to ascertain or measure with any degree of accuracy the damages sustained by Seller therefrom. Accordingly, if there should be a breach or threatened breach by Purchaser of provisions of this Section 2.6, Seller shall be entitled to an injunction restraining Purchaser from any breach without showing or proving actual damage sustained by Seller. Nothing in the preceding sentence shall limit or otherwise affect any remedies that Seller may otherwise have under applicable law.

3. REPRESENTATIONS, WARRANTIES, AND COVENANTS OF SELLER

To induce Purchaser to enter into this Agreement and to purchase the Transferred Assets, Seller represents, warrants, and covenants to Purchaser as follows:

3.1 Schedules. The section numbers referenced in the Schedules refer to the corresponding sections of the Agreement (unless otherwise indicated). The headings contained in the Schedules are for reference purposes only and shall not affect the construction or interpretation of any of the provisions of the Agreement or the Schedules. Matters disclosed in the Schedules qualify the representations and warranties made in the Agreement. The inclusion of any matter herein shall not be deemed to establish any threshold of materiality for any purpose. Disclosure of such matters shall not affect (directly or indirectly) the interpretation of the Agreement or the scope of the disclosure obligations of the Seller under the Agreement. Every matter, document or item referred to, set forth or described in one section of the Schedule shall be deemed to be disclosed under each and every part, category or heading of that section of the Schedule, but not on any other section of the Schedule unless expressly incorporated by reference, and shall be deemed to qualify the representations and warranties of the Seller in the Agreement relating to the specific section of the Schedule as determined by the reference number of such section of the Schedule.

3.2 Organization. Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Subject to the applicable provisions of the Bankruptcy Code and the entry of the Approval Order, Seller has all requisite power and authority to own and transfer to Purchaser the Transferred Assets as contemplated by this Agreement.

3.3 Enforceability of Agreement. Subject to the entry of the Approval Order, Seller has the full corporate power and authority to enter into and execute this Agreement and the other Transaction Documents (as hereinafter defined) and to carry out the transactions contemplated hereby and thereby in accordance with their respective terms. This Agreement and the other Transaction Documents, and all transactions required hereunder and thereunder to be performed by Seller, will, as of the Closing, in accordance with the Approval Order, have been duly and validly authorized and approved by all

necessary corporate action of Seller. Subject to the Approval Order, each of this Agreement and the other Transaction Documents constitutes the valid and legally binding obligations of Seller, and is enforceable against Seller in accordance with its terms. "Transaction Documents" means this Agreement, the Bill of Sale, the General Assignment, the Assumption Agreement, and all other agreements, instruments, documents and certificates to be executed and/or delivered pursuant to this Agreement or in connection with the transaction contemplated hereby as to which Seller is a party.

3.4 **No Inconsistent Obligations.** Neither the execution and delivery of this Agreement or any other Transaction Document, nor the consummation of the transaction contemplated herein or therein in accordance with the Approval Order, will result in a violation or breach of, or constitute a default under, (a) the certificate of incorporation, as amended, the bylaws, or other organizational instruments of Seller, (b) any writ, order, judgment, decree, law, rule, regulation, or ordinance, or (c) any applicable ruling or order of any administrative or governmental body.

3.5 **Consents.** The execution, delivery and performance by Seller of this Agreement and the other Transaction Documents, and the consummation of the transactions contemplated hereby and thereby in accordance with the Approval Order, (a) will not require the consent, approval or action of, or any filing with or notice to, any "Person" (hereinafter defined as any individual, corporation, limited liability company, general or limited partnership, trust, association or other entity) or any public, governmental, judicial, or regulatory authority, other than the Bankruptcy Court, and (b) will not require the consent or approval of members of the board of directors or shareholders of Seller pursuant to any business combination, takeover, or other similar law, rule, regulation or ordinance, except for those that have been or will be obtained prior to Closing.

3.6 **No Violation.** Seller is not in default under or in violation of (a) its certificate of incorporation, as amended or its bylaws, (b) any writ, order, judgment, decree or any law, rule, regulation, ordinance, or code which would cause a material adverse affect on the Transferred Assets, or (c) any applicable ruling or order of any administrative or governmental body.

3.7 **No Litigation.** There are no material actions, suits, claims, investigations, hearings, or proceedings of any type pending (or, to the knowledge of Seller, threatened) instituted against Seller challenging the legality of the transactions contemplated in this Agreement (collectively, "Claims"). Schedule 3.7 sets forth all Claims against Seller.

3.8 **Title.** Seller has good and marketable title to all of the Transferred Assets and, pursuant to the Approval Order, shall be authorized to sell such Transferred Assets at the Closing free and clear of any and all Liens, except Permitted Claims.

3.9 **No Other Representations or Warranties.** Except for the representations, warranties and covenants of Seller expressly contained in this Agreement, neither Seller nor its Representatives, nor any other person or entity, makes any other express or implied warranty (including, without limitation, any implied warranty of merchantability or fitness for a particular purpose) on behalf of Seller, including, without limitation, (a) the probable success or profitability of ownership, use or operation of the Transferred Assets by Purchaser after the Closing, (b) the probable success or results in connection with the Bankruptcy Court and the Approval Order, (c) the value, use or condition of the Transferred Assets.

3.10 **Expiration of Representations and Warranties.** The representations, warranties and covenants of Seller shall expire and be terminated and extinguished on the Closing Date (except the covenant set forth in Section 5.6 below, which shall survive the Closing), and thereafter, neither Seller nor any of its Representatives have any liability whatsoever with respect to any such representation, warranty or covenant.

4. REPRESENTATIONS AND WARRANTIES OF PURCHASER.

As an inducement to Seller to enter into this Agreement and to sell the Transferred Assets to Purchaser, Purchaser hereby represents, warrants, and covenants as follows:

4.1 Organization. Purchaser is a corporation duly organized and validly existing under the laws of the State of Delaware.

4.2 Authorization; No Inconsistent Agreements. Purchaser has full corporate power and authority to enter into and execute this Agreement and the other Transaction Documents to which it is a party and the transactions contemplated hereby and thereby. This Agreement and such Transaction Documents and all transactions required hereunder and thereunder to be performed by Purchaser have been duly and validly authorized and approved by all necessary action on the part of Purchaser. This Agreement and such other Transaction Documents have been duly and validly executed and delivered on behalf of Purchaser by its duly authorized officers, and constitute the valid and legally binding obligations of Purchaser and are enforceable, subject to general equity principles, in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, or similar laws affecting the rights of creditors generally. Neither the execution and delivery of this Agreement or such Transaction Documents, nor the consummation of the transactions hereby or thereby contemplated, will constitute a violation or breach of any provision of any contract or other instrument to which Purchaser is a party or by which any of the assets of Purchaser may be affected or secured, or any order, writ, injunction, decree, statute, rule, or regulation to which Purchaser is subject, or will result in the creation of any lien, charge, or encumbrance on any of the assets of Purchaser or acceleration of any debt.

4.3 No Inconsistent Obligations. Neither the execution and delivery of this Agreement or any other Transaction Document, nor the consummation of the transactions contemplated hereby or thereby, will result in a violation or breach of, or constitute a default under (a) the certificate of incorporation, as amended, the bylaws, or other organizational instruments of Purchaser, (b) any term or provision of any indenture, note, mortgage, bond, security agreement, loan agreement, guaranty, pledge, or other instrument, contract, agreement, or commitment of Purchaser, (c) any writ, order, judgment, decree, law, rule, regulation, or ordinance, (d) any applicable ruling or order of any administrative or governmental body, or (e) any other commitment or restriction to which Purchaser is a party; nor will such actions result in (i) the creation of any Lien, (ii) the acceleration or creation of any obligation of Purchaser, or (iii) the forfeiture of any material right or privilege of Purchaser.

4.4 Consents. The execution and delivery by Purchaser of this Agreement and the other Transaction Documents, and the consummation of the transactions by Purchaser contemplated hereby and thereby, do not require the consent, approval or action of, or any filing with or notice to, any Person or any public, governmental, judicial, or regulatory authority, other than the Bankruptcy Court, and (b) do not require the consent or approval of members of the board of directors or shareholders of Purchaser and/or Hancock Park pursuant to any business combination, takeover, or other similar law, rule, regulation or ordinance except for those that have been or will be obtained as of the Closing.

4.5 No Litigation. There are no actions, suits, claims, investigations, hearings, or proceedings of any type pending (or, to the knowledge of Purchaser, threatened), at law or in equity, that might affect Purchaser's ability to close the transaction contemplated hereby.

4.6 Due Diligence.

(a) AS-IS SALE; DISCLAIMERS; RELEASE. IT IS UNDERSTOOD AND AGREED THAT, UNLESS EXPRESSLY STATED HEREIN, SELLER IS NOT MAKING AND HAS NOT AT ANY TIME MADE ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE TRANSFERRED ASSETS, INCLUDING BUT NOT LIMITED TO, ANY WARRANTIES OR REPRESENTATIONS AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

(b) PURCHASER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS EXPRESSLY PROVIDED HEREIN, UPON THE CLOSING, SELLER SHALL SELL AND CONVEY TO PURCHASER, AND PURCHASER SHALL ACCEPT, THE TRANSFERRED ASSETS "AS IS, WHERE IS, WITH ALL FAULTS." PURCHASER HAS NOT RELIED AND WILL NOT RELY ON, AND SELLER IS NOT LIABLE FOR OR BOUND BY, ANY EXPRESS OR IMPLIED WARRANTIES, GUARANTEES, STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE TRANSFERRED ASSETS OR RELATING THERETO MADE OR FURNISHED BY SELLER OR ITS REPRESENTATIVES, TO WHOMEVER MADE OR GIVEN, DIRECTLY OR INDIRECTLY, ORALLY OR IN WRITING, EXCEPT AS EXPRESSLY STATED HEREIN. PURCHASER ALSO ACKNOWLEDGES THAT THE TOTAL PURCHASE PRICE REFLECTS AND TAKES INTO ACCOUNT THAT THE TRANSFERRED ASSETS ARE BEING SOLD "AS IS, WHERE IS, WITH ALL FAULTS."

(c) PURCHASER ACKNOWLEDGES TO SELLER THAT PURCHASER HAS HAD THE OPPORTUNITY TO CONDUCT AND DID CONDUCT PRIOR TO THE EFFECTIVE DATE SUCH INSPECTIONS AND INVESTIGATIONS OF THE TRANSFERRED ASSETS AS PURCHASER DEEMS NECESSARY OR DESIRABLE TO SATISFY ITSELF AS TO THE TRANSFERRED ASSETS AND PURCHASER'S ACQUISITION THEREOF. PURCHASER FURTHER WARRANTS AND REPRESENTS TO SELLER THAT, IN ADDITION TO THE REPRESENTATIONS AND WARRANTIES OF SELLER SET FORTH HEREIN AND THE INFORMATION REQUIRED TO BE PROVIDED BY SELLER HEREUNDER, PURCHASER WILL RELY SOLELY ON ITS OWN REVIEW AND OTHER INSPECTIONS AND INVESTIGATIONS IN THIS TRANSACTION AND NOT UPON ANY OTHER INFORMATION PROVIDED BY OR ON BEHALF OF SELLER, OR ITS REPRESENTATIVES WITH RESPECT THERETO. EXCEPT AS EXPRESSLY PROVIDED HEREIN, PURCHASER HEREBY ASSUMES THE RISK THAT ADVERSE MATTERS INCLUDING, BUT NOT LIMITED TO, LATENT OR PATENT DEFECTS, ADVERSE PHYSICAL OR OTHER ADVERSE MATTERS, MAY NOT HAVE BEEN REVEALED BY PURCHASER'S REVIEW AND INSPECTIONS AND INVESTIGATIONS.

(d) WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, SUBJECT TO THE TERMS OF THIS AGREEMENT, OBTAINING THE APPROVAL ORDER AND THE PURCHASE PRICE ADJUSTMENT, IF ANY, AS SET FORTH IN SECTION 1.10 ABOVE, AND SUBJECT TO THE APPROVAL ORDER, PURCHASER ACKNOWLEDGES AND AGREES THAT, FOLLOWING THE EXECUTION AND DELIVERY OF THIS AGREEMENT, PURCHASER SHALL BE OBLIGATED TO CONSUMMATE THE TRANSACTION CONTEMPLATED HEREIN AS OF THE CLOSING DATE BY MEANS OF PAYING TO SELLER PURSUANT TO SECTION 1.7 THE CASH PORTION OF THE PURCHASE PRICE AND ASSUMING THE ASSUMED LIABILITIES, AND WAIVES ANY CLAIM INCONSISTENT WITH THIS AGREEMENT ARISING OUT OF OR IN

CONNECTION WITH THE CONDITION OF THE TRANSFERRED ASSETS AS OF THE CLOSING.

4.7 **Accuracy of Bid Documentation.** Purchaser represents and warrants that the Bid Documentation (as defined in Section 5.3 below) is true, correct, complete in all material respects and set forth in a manner that is not misleading as of the Effective Date hereof and as of such date received by Seller. The information contained in the Bid Documentation shall be deemed to be part of, and incorporated into, this Agreement. At all times prior to and including the Closing Date, Purchaser shall promptly provide Seller with written notification of any event, occurrence or other information of any kind whatsoever that materially and adversely affects, or may materially and adversely affect, the continued correctness or completeness of any representation, warranty or covenant made in the Bid Documentation. Purchaser expressly acknowledges that Seller is relying on the Bid Documentation in entering into this Agreement and submitting the bankruptcy filings with the Bankruptcy Court as contemplated in Section 5.4 below.

4.8 **Expiration of Representations and Warranties.** The representations, warranties and covenants of Purchaser shall expire and be terminated and extinguished on the Closing Date, and thereafter, neither Purchaser nor any of its Representatives have any liability whatsoever with respect to any such representation, warranty or covenant.

5. AGREEMENTS OF SELLER AND PURCHASER.

Each of Seller and Purchaser, as appropriate, covenants and agrees that, except as may otherwise be provided herein, between the date hereof and the earlier of (i) the Closing Date or (ii) the termination of this Agreement in accordance with its terms:

5.1 **Preservation of Assets.** Except as otherwise may be ordered by the Bankruptcy Court, Seller shall use good faith commercially reasonable efforts to preserve the Transferred Assets, subject to any orders, decrees or rulings by the Bankruptcy Court.

5.2 **Employees.**

(a) Purchaser shall have the right, subject to the provisions of Sections 2.5 and 2.6 above, to interview and to offer employment, such right being conditioned upon Purchaser being the purchaser of the Transferred Assets; provided that Purchaser shall have no obligation to offer employment to any employee of Seller prior to, at or after the Closing. If Purchaser elects to offer employment to any employee of Seller prior to, at or after the Closing, it shall be upon such terms and conditions as Purchaser, in its sole discretion, shall reasonably determine; and nothing implied by this Agreement shall confer upon employees of Seller, or any legal representative thereof, any rights or remedies, including any right to employment, or for any specified period, of any nature or kind whatsoever, pursuant to this Agreement.

(b) Seller will be responsible for any obligations or liabilities to Seller's employees under the Worker Adjustment Retaining Notification Act, as applicable, and any similar state or local "plant closing" law ("*WARN Act*") with respect to all of Seller's employees that are related to their termination as employees of Seller. Without limiting the generality of the foregoing, the parties hereto expressly acknowledge and agree that Purchaser shall not be responsible for any such obligations or liabilities with respect to Seller's employees that are related to their termination as employees of Seller.

5.3 **Submission of Bid Documentation.** As a condition of Seller entering into this Agreement and Seller filing documentation with the Bankruptcy Court as contemplated in Section 5.4

below, Purchaser has provided and/or shall provide Seller as of the Execution Date, and from time to time thereafter as required hereunder and/or as reasonably requested by Seller, with the following documentation (the "Bid Documentation"), all of which shall be in form and content satisfactory to Seller in its sole discretion:

(a) a written letter containing Purchaser's identity, relevant contact information and full disclosure of any affiliates and/or insiders of Purchaser, and summarizing the proposed consideration for the purchase of the Transferred Assets as set forth herein;

(b) documentation evidencing (1) Purchaser's financial ability to consummate the transaction contemplated in this Agreement, including, without limitation, the most recent financial statements of Purchaser and/or any person or entity that is a financially responsible party for Purchaser, along with such other financial disclosure requested by Seller in its reasonable discretion (provided, however, that the provisions hereof shall not obligate Hancock Park (including, without limitation, its partners and portfolio companies, other than the portfolio company owning a direct interest in Purchaser) to disclose or otherwise provide any documentation evidencing any such financial statements or other financial information as a financially responsible party for Purchaser), and (2) documentation evidencing Purchaser's ability to consummate the transaction contemplated herein on the date and on the terms as set forth herein (the items described in subsection 5.3(b)(1) and (2) being hereinafter referred to as the "Bidder Financial Information"). Seller shall (i) treat the Bidder Financial Information as confidential and proprietary information of the Qualified Bidder that has provided such information, (ii) not disclose the Bidder Financial Information to any person or entity, other than the Bankruptcy Court, (iii) obtain confidential treatment of the Bidder Financial Information by the Bankruptcy Court such that the Bidder Financial Information shall be sealed by the Bankruptcy Court and not be publicly disclosed in any filing or in any other manner, and (iv) not permit or cause to be entered into evidence the Bidder Financial Information with respect to any proceedings before the Bankruptcy Court or otherwise, unless the accuracy of the Bidder Financial Information is directly at issue; provided, however, that the foregoing notwithstanding, Seller may disclose the Bidder Financial Information to the Creditors Committee(s) of Seller and its authorized representatives on the condition that such recipients agree to be bound by the confidentiality provisions of this Section 5.3(b);

(c) a declaration from Purchaser, under penalty of perjury, as of the Effective Date and as of such future dates as reasonably requested by Seller, attesting to Purchaser's ability to provide adequate assurances of future performance with respect to the Assumed Liabilities; and

(d) such other documentation as reasonably requested by Seller or otherwise required in connection with the bankruptcy filings as contemplated in Section 5.4 below.

5.4 Filings in Bankruptcy Case.

(a) Seller will promptly file a motion ("*Sale Procedures Motion*") with the Bankruptcy Court, requesting the entry of an order (the "*Procedures Order*"). The term "*Procedures Order*" as defined in this Section 5.4(a), shall include, by way of illustration and not of limitation, an order approving certain bid protections and procedures for the sale of any material portion of the Transferred Assets and/or the assumption by Purchaser of certain liabilities under the Assumption Agreement, including, without limitation:

(1) approval of payment to Purchaser in the event of termination of this Agreement, subject to the terms set forth in Sections 8.2 and 8.3 below, of a breakup fee in the amount of \$180,000 upon the consummation of an Alternative Transaction (as defined below) (the "*Breakup Amount*");

(2) a requirement that all competing bidders make a cash deposit of not less than \$100,000 (the "*Deposit*"), which Deposit (i) shall be non-refundable (subject to the provisions of Section 8.4 below), and (ii) may be waived for a competing bidder by the written agreement of Seller and the Creditors' Committee of Seller in their good faith discretion upon receipt of satisfactory information from such competing bidder;

(3) a requirement that all competing bidders submit Bid Documentation as described in Section 5.2 above and that each represent the accuracy of such competing bidder's Bid Documentation as set forth in Section 4.7;

(4) a deadline for the submission of Qualified Bids (as defined in Section 8.1(c) below) of no later than 2 days prior to the Approval Hearing;

and (5) a Minimum Initial Overbid Amount (as defined in Section 8.1(c) below;

(6) a Minimum Incremental Bid Amount (as defined in Section 8.1(c) below.

For purposes hereof, the "*Procedures Hearing*" shall refer to the hearing(s) (including, without limitation, any rescheduling and/or continuations with respect thereto) in the Bankruptcy Court pursuant to which the Bankruptcy Court considers and approves the Sale Procedures Motion for purposes of issuing the Procedures Order.

(b) Seller will file a motion ("*Sale Motion*") with the Bankruptcy Court, requesting the entry of an order (the "*Approval Order*") pursuant primarily to Sections 363 and 365 of the Bankruptcy Code, approving the sale of the Transferred Assets to Purchaser and the assumption by Purchaser of the Assumed Liabilities, and assignment of the Assumed Leases, Assigned Contracts and Equipment Leases prior to the Approval Hearing, and without any reduction in the Purchase Price, except as expressly provided in this Agreement. The Approval Order shall, by way of illustration and not of limitation, (1) approve the sale of the Transferred Assets to Purchaser on the terms and conditions set forth in this Agreement and authorize Seller to proceed with the transaction contemplated in this Agreement, (2) include a specific finding that Purchaser is a good faith purchaser of the Transferred Assets under Section 363(m) of the Bankruptcy Code, and (3) state that the sale of the Transferred Assets to Purchaser shall be free and clear of all Liens, except Permitted Claims and any obligations and liabilities expressly assumed by Purchaser under this Agreement. For purposes hereof, the "*Approval Hearing*" shall refer to the hearing(s) (including, without limitation, any rescheduling and/or continuations with respect thereto), in the Bankruptcy Court, pursuant to which the Bankruptcy Court considers and approves of the Sale Motion for purposes of issuing the Approval Order.

5.5 Cooperation. Each party hereto shall diligently and in good faith cooperate with the other party hereto, and take all commercially reasonable actions necessary, to transfer the Transferred Assets to Purchaser in accordance with the terms and conditions of this Agreement and the other Transaction Documents.

5.6 Assignment of Assumed Leases and Equipment Leases.

(a) Seller shall use commercially reasonable efforts to obtain from the Bankruptcy Court an order authorizing Seller, effective on the Closing Date, to assume, cure all monetary defaults with respect to, and assign the Assumed Leases and Equipment Leases to Purchaser.

(b) Subject to the receipt of the order referred to in Section 5.6(a) above and upon the occurrence of the Closing, Seller shall, solely with respect to the Assumed Leases and the Equipment Leases, (1) at its expense cure any and all monetary defaults or segregate cash in an amount equal to disputed cure payments or as may be ordered by the Bankruptcy Court and (2) cure any other defaults, each with respect to an such Assumed Leases and/or Equipment Leases as required by Section 365 of the Bankruptcy Code, so that such document may be assigned to Purchaser in accordance with the provisions of Section 365 of the Bankruptcy Code; provided, however, that Seller's obligation to make a cure payment as required pursuant to this subsection 5.6(b) shall not be deemed a condition to Purchaser's obligations to consummate the transaction contemplated in this Agreement, unless Seller's failure to make such cure payment would prevent the assignment of one or more of the Assumed Leases or Equipment Leases to Purchaser. Seller covenants that, within a reasonable period of time following the Closing Date, Seller shall satisfy the proper cure amounts associated with the Assumed Leases, Equipment Leases and Assigned Contracts in the good faith discretion of Seller, and promptly submit any dispute concerning the proper cure amounts associated therewith to the Bankruptcy Court for adjudication of such dispute.

6. CONDITIONS TO OBLIGATIONS OF PURCHASER.

All obligations of Purchaser under this Agreement are subject to the fulfillment and satisfaction of each and every of the following conditions on or prior to the Closing, any or all of which may be waived in whole or in part by Purchaser:

6.1. Compliance with Covenants. Seller shall have reasonably performed and complied with all material covenants and conditions required by this Agreement to be performed by Seller prior to or on the Closing Date.

6.2. Representations, Warranties and Covenants. The representations, warranties and covenants of Seller contained in this Agreement and in any certificate, instrument, agreement, or other writing delivered by or on behalf of Seller pursuant to this Agreement shall be, in all material respects, true, correct, and complete as of the date when made, and shall (a) be deemed to be made again at and as of the Closing Date and (b) be, in all material respects, true, correct, and complete at and as of such time. As of the Closing Date, Seller shall have, in all material respects, performed, and not be in material breach of, its covenants contained in this Agreement and in any certificate, instrument, agreement, or other writing delivered by or on behalf of Seller pursuant to this Agreement.

6.3. Certificates of Seller. Seller shall have delivered to Purchaser a certificate, executed by an authorized officer of Seller, which shall be dated as of the Closing Date, certifying in such detail as Purchaser may reasonably request as to the fulfillment and satisfaction of the conditions by Seller specified in Sections 6.1 and 6.2 above.

6.4. Resolutions. Seller shall have delivered to Purchaser duly adopted resolutions of the Board of Directors of Seller as of the Closing Date, authorizing and approving the execution, delivery, and performance by Seller, subject to Bankruptcy Court approval, of this Agreement and the other Transaction Documents to which Seller is a party, and all other actions necessary to enable Seller to comply with the terms of this Agreement and other Transaction Documents.

6.5 Transfer of Assets. Seller shall, subject to the Approval Order, have all rights, powers, and authority necessary to transfer all of its rights, title, and interest in and to, the Transferred Assets.

6.6 Cure Payments. The Bankruptcy Court shall have issued an order authorizing Seller, effective on the Closing Date, to assume, cure all monetary defaults with respect to, and assign the Assumed Leases and Equipment Leases to Purchaser.

6.7 Proceedings and Documents Satisfactory. All proceedings taken in connection with the consummation of the transaction contemplated herein and all documents and papers reasonably required in connection therewith shall be timely performed and delivered in form and substance reasonably satisfactory to Purchaser and its counsel.

6.8 No Litigation. No litigation, legal action, or other governmental action shall have been commenced and remain in effect and no judicial or administrative order shall have been issued or adopted and remain in effect prohibiting the transaction contemplated by this Agreement.

6.9 Approval Order. The Approval Order, including a finding under Section 363(m) of the Bankruptcy Code that Purchaser is a good faith purchaser, shall have been entered by the Bankruptcy Court.

7. CONDITIONS TO OBLIGATIONS OF SELLER.

All of the obligations of Seller under this Agreement are subject to the fulfillment and satisfaction of each and every of the following conditions on or prior to the Closing, any or all of which may be waived in whole or in part by Seller.

7.1 Proceedings and Documents Satisfactory. All proceedings taken in connection with the consummation of the transaction contemplated herein and all documents and papers reasonably required in connection therewith shall be timely performed and delivered in form and substance reasonably satisfactory to Seller and its counsel.

7.2 Representations, Warranties and Covenants. The representations, warranties and covenants of Purchaser contained in this Agreement, the Bid Documentation, and in any certificate, instrument, agreement, or other writing delivered by or on behalf of Purchaser pursuant to this Agreement shall be, in all material respects, true, correct, and complete as of the date when made, and shall (a) be deemed to be made again at and as of the Closing Date and (b) be, in all material respects, true, correct, and complete at and as of such time. As of the Closing Date, Purchaser shall have, in all material respects, performed, and not be in material breach of, its covenants contained in this Agreement, the Bid Documentation, and in any certificate, instrument, agreement, or other writing delivered by or on behalf of Purchaser pursuant to this Agreement.

7.3 Compliance with Agreements and Conditions. Purchaser shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by Purchaser prior to or on the Closing Date.

7.4 Certificates of Purchaser. Purchaser shall have delivered to Seller a certificate, executed by an authorized officer of Purchaser, which shall be dated as of the Closing Date, certifying in such detail as Seller may reasonably request as to the fulfillment and satisfaction of the conditions by Purchaser specified in Section 7.2 and Section 7.3 above.

7.5 **Resolutions.** Purchaser shall have delivered to Seller a certificate, executed by an authorized officer of Purchaser, which shall be dated as of the Closing Date, certifying in such detail as Seller may reasonably request, that Purchaser duly adopted resolutions of the Board of Directors of Purchaser as of the Closing Date, authorizing and approving the execution, delivery, and performance by Purchaser, subject to Bankruptcy Court approval, of this Agreement and the other Transaction Documents to which Purchaser is a party, and all other actions necessary to enable Purchaser to comply with the terms of this Agreement and other Transaction Documents.

7.6 **Consents.** Purchaser shall cooperate with Seller to receive from any and all Persons, or any public or governmental authorities, bodies or agencies or judicial authority having jurisdiction over the transactions contemplated by this Agreement and the other Transaction Documents, or any part hereof, such consents, authorizations, and approvals as are necessary for the consummation thereof, and all notices required to be given to government authorities shall have been given and all applicable waiting periods shall have expired.

7.7 **No Litigation.** No litigation, legal action, or other governmental action shall have been commenced and remain in effect and no judicial or administrative order shall have been issued or adopted and remain in effect prohibiting the transaction contemplated by this Agreement.

7.8 **Payment of Cash Purchase Price.** Purchaser shall have paid the Cash Purchase Price in accordance with Section 1.7 in full.

8. **TERMINATION.**

8.1 **Termination for Certain Causes.**

(a) This Agreement may be terminated at any time prior to or on the Closing Date as follows:

- (i) By mutual written consent of the parties;
- (ii) By either party, if the Closing fails to occur within five (5) business days following the date on which an Approval Order is entered for reasons other than the terminating party's failure to comply with this Agreement;
- (iii) By either party, if the transaction contemplated by this Agreement is enjoined, restrained, or prohibited by a court or governmental agency;
- (iv) Automatically and without any action by either Purchaser or Seller, if the Bankruptcy Court approves a Qualified Bid (as defined hereafter) by a Qualified Bidder (as defined hereafter) other than Purchaser;
- (v) By Purchaser or Seller, if the Bankruptcy Court fails to enter an Approval Order by July 20, 2008;
- (vi) By Seller, if Purchaser materially breaches in its representations or warranties or fails to perform its covenants or agreements set forth in this Agreement, subject to prior written notice and a three (3) business day cure period, if and only if such breach is subject to cure; provided, however, that Purchaser's failure to pay the balance of the Cash Purchase Price pursuant to Section 1.7(b) hereof and consummate the Closing within three (3) business days following the date on which the Approval Order is entered shall be deemed an immediate breach

of Purchaser's obligations and such breach shall not be subject to any cure period as otherwise provided in this Section 8.1(a)(vi);

(vii) By Purchaser, if Seller materially breaches any of its representations or warranties or fails to perform its covenants or agreements set forth in this Agreement, subject to prior written notice and a three (3) business day cure period, if and only if such breach is subject to cure;

(viii) By Purchaser if the Bankruptcy Court refuses to approve the Breakup Amount in the amount set forth in this Agreement;

(ix) By Purchaser if the Bankruptcy Court has not issued an order authorizing Seller, effective on the Closing Date, to assume, cure all monetary defaults with respect to, and assign the Assumed Leases and Equipment Leases to Purchaser; or

(x) By Purchaser if Seller's failure to cure the Assumed Leases and Equipment Leases would prevent the assignment of one or more of the Assumed Leases or Equipment Leases to Purchaser.

(b) Upon any termination of this Agreement as set forth in this Section 8.1, Seller shall, if applicable, pay to Purchaser the Deposit and/or the Breakup Amount, as applicable, as set forth in Sections 8.3 and 8.4 below and/or retain the Deposit and seek to recover damages, if any, or otherwise seek any other remedy to which Seller may be entitled under this Agreement, under contract, at law or in equity, as Seller deems appropriate.

(c) For purposes of this Agreement:

"*Qualified Bid*" means a competing proposal, regardless of structure, (a) whose value, as determined in the sole and absolute discretion of the Bankruptcy Court, is superior (with respect to the interests of the unsecured creditors of Seller) from a financial point of view to the initial offer made by Purchaser as reflected in this Agreement and (b) that is accompanied by evidence satisfactory to Seller of committed financing or other ability to perform.

"*Minimum Initial Overbid Amount*" means, for the initial overbid by a Qualified Bidder other than Purchaser (an "Initial Overbid"), an amount equal to or greater than \$210,000 in value in excess of the Purchase Price.

"*Minimum Incremental Bid Amount*" means, for any incremental bid after the Initial Overbid by any Qualified Bidder (other than Purchaser), an amount equal to or greater than \$50,000 in value in excess of the Initial Overbid or any subsequent overbid.

"*Qualified Bidder*" means a person or entity that meets the requirements of a qualified bidder under the Procedures Order or other order of the Bankruptcy Court. For the avoidance of doubt, Purchaser shall be deemed to be a Qualified Bidder.

8.2 Administrative Expenses. Purchaser's right to receive the Breakup Amount shall constitute an allowed claim for administrative expenses under Section 503(b) of the Bankruptcy Code.

8.3 Sale to Third Party; Breakup Amount. Seller and Purchaser agree that (1) Purchaser has expended substantial funds and other resources in connection with the transaction contemplated hereby, including costs in connection with legal and business due diligence, (2) Purchaser

has devoted significant internal resources and efforts in connection with the planning, due diligence and negotiation of this Agreement, the costs of which are not recoverable as a Reimbursement Amount hereunder, and (3) Purchaser will be harmed if such transaction is not consummated, and that it would be unfair for Purchaser to bear such harm in view of the fact that both Purchaser, on the one hand, and Seller, on the other hand, hope to benefit from such transaction. Accordingly, in the event that, as contemplated in Section 8.1(a)(iv) above, Seller consummates a sale (an "Alternative Transaction") of the Transferred Assets to a Qualified Bidder other than Purchaser, Seller shall pay Purchaser the Breakup Amount approved by the Bankruptcy Court in the Procedures Order. The Breakup Amount shall be payable within ten (10) days following the consummation of the Alternative Transaction. The amount of the Breakup Amount payable by Seller to Purchaser hereunder shall be an allowed administrative expense of the bankruptcy estate pursuant to Section 503(b) of the Bankruptcy Code.

8.4 Refund of Deposit.

(a) Except as expressly set forth in this Section 8.4, Purchaser shall have no right or claim with respect to a refund of the Deposit. Anything to the contrary contained in this Section 8.4 notwithstanding, any refund of the Deposit as provided in this section shall be subject to the approval of the Bankruptcy Court.

(b) In the event that this Agreement is terminated solely under Sections 8.1(a)(iv) above, Seller shall refund the Deposit to Purchaser within ten (10) days following the consummation of such Alternative Transaction pursuant to Section 8.1(a)(iv) above.

8.5 Seller's Fiduciary Obligations. By way of illustration and not of limitation, prior to the consummation of the transactions contemplated by this Agreement, nothing contained herein shall prevent or deemed to prevent Seller from furnishing information to, or engaging in negotiations or discussions with, any Person in connection with an Alternative Transaction or any other transaction or agreement, if and to the extent that Seller's Board of Directors determines in good faith that, in the exercise of its fiduciary duties, that to do otherwise would be inconsistent with such fiduciary duties.

9. MISCELLANEOUS.

9.1 Notices.

(a) All notices, demands or other communications required or permitted to be given or made hereunder shall be in writing and delivered personally, via facsimile, via email, via priority/overnight mail, or sent by pre-paid, first class, certified or registered air mail (or the functional equivalent in any country), return receipt requested, to the intended recipient thereof at its address, email, and/or facsimile number set out below. Any such notice, demand or communication shall be deemed to have been duly given immediately (if given or made by confirmed facsimile or via email to the address as set forth below), or one day after mailing (if sent via a respected overnight/priority mail service), or three days after mailing (if given or made by letter addressed to a location within the country in which it is posted) or seven days after mailing (if made or given by letter addressed to a location outside the country in which it is posted), and in proving same it shall be sufficient to show that the envelope containing the same was duly addressed, stamped and posted, or that receipt of a facsimile and/or email was confirmed by the recipient. The addresses and facsimile numbers and email addresses of the parties for purposes of this Agreement are:

If to Purchaser: **TRS ACQUISITION SUBSIDIARY, INC.**
26635 Agoura Road, Suite 201
Calabasas, California 91302
() Direct Line
() Fax
Email: _____
Attention: _____

With a copy to: **Schottstein, Zox & Dunn Co., LPA**
250 West Street, Suite 700
Columbus, Ohio 43215
(614) 462-5135 (Fax)
Attention Robert R. Ouellette
rouellette@szd.com

If to Seller: **eStyle, Inc.**
865 South Figueroa Street
Suite 2700
Los Angeles, CA 90017
EFabricant@babystyle.com
Attention: Emelia Fabricant

With a copy to: **Baer & Troff, LLP**
225 S. Lake Avenue, Suite 600
Pasadena, California 91101
(310) 802-4200
(310) 471-6971 (fax)
Attention: Jim Baer, Esq.
jim@BTLLP.com

SulmeyerKupetz, a professional corporation
333 South Hope Street, 35th Floor
Los Angeles, California 90071
Attention: David S. Kupetz, Esq.
213-617-5274 (phone)
213-629-4520 (fax)
dkupetz@sulmeyerlaw.com

(b) Any party may change the address to which notices, requests, demands or other communications to such party shall be delivered or mailed by giving notice thereof to the other parties hereto in the manner provided herein.

9.2 **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same instrument. Facsimile signatures shall constitute original signatures for all purposes of this Agreement.

9.3 **Governing Law.** The validity and effect of this Agreement shall be governed by and construed and enforced in accordance with the laws of the State of California without regard to rules of such State relating to the conflict of laws. The parties hereto hereby submit to personal jurisdiction in the State of California, County of Los Angeles.

9.4 Bankruptcy Court Jurisdiction. PURCHASER AND SELLER AGREE THAT THE UNITED STATES BANKRUPTCY COURT LOCATED IN LOS ANGELES, CALIFORNIA, SHALL HAVE EXCLUSIVE JURISDICTION WITH RESPECT TO ANY DISPUTE BETWEEN PURCHASER AND SELLER, AND OVER ALL DISPUTES AND MATTERS, IN EACH EVENT RELATING TO THE INTERPRETATION AND ENFORCEMENT OF THE TRANSACTION DOCUMENTS, AND/OR WITH RESPECT TO THE TRANSFERRED ASSETS.

9.5 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, legal representatives, successors and assigns. This Agreement may not be assigned, or the obligations hereunder delegated, by Seller, or Purchaser, without the prior written consent of the other parties, and any such attempted assignment without such consents shall be null and void; provided, however that (a) Purchaser may assign its rights and obligations under this Agreement, at, prior to or after the Closing, to any direct or indirect wholly owned subsidiary of Purchaser (each such entity, an "*Affiliated Party*") without the prior written consent of Seller, but anything to the contrary contained herein notwithstanding, regardless of whether there is such a transfer by Purchaser to an Affiliated Party, Purchaser shall remain liable to Seller for all of its obligations hereunder, and (b) Seller may assign its rights to receive payment hereunder, to any successor, assignee or representative of Seller's bankruptcy estate; provided, however, that any such successor, assignee or representative of Seller's bankruptcy estate shall be responsible for any remaining obligation of Seller hereunder.

9.6 Partial Invalidity and Severability. All rights and restrictions contained herein may be exercised and shall be applicable and binding only to the extent that they do not violate any applicable laws, and are intended to be limited to the extent necessary to render this Agreement legal, valid and enforceable. If any term of this Agreement, or part thereof, not essential to the commercial purpose of this Agreement shall be held to be illegal, invalid or unenforceable by a court of competent jurisdiction, it is the intention of the parties that the remaining terms hereof, or part thereof shall constitute their agreement with respect to the subject matter hereof and all such remaining terms, or parts thereof, shall remain in full force and effect. To the extent legally permissible, any illegal, invalid or unenforceable provision of this Agreement shall be replaced by a valid provision that will implement the commercial purpose of the illegal, invalid or unenforceable provision.

9.7 Waiver. Any term or condition of this Agreement may be waived at any time by the party that is entitled to the benefit thereof, but only if such waiver is evidenced by a writing signed by such party. No failure on the part of any party hereto to exercise, and no delay in exercising any right, power or remedy created hereunder, shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or remedy by any such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy. No waiver by any party hereto of any breach of or default in any term or condition of this Agreement shall constitute a waiver of or assent to any succeeding breach of or default in the same or any other term or condition hereof.

9.8 Headings. The headings of particular provisions of this Agreement are inserted for convenience only and shall not be construed as a part of this Agreement or serve as a limitation on or enlargement of the scope of any term or provision of this Agreement.

9.9 Number and Gender. Where the context requires, the use of the singular form herein shall include the plural, the use of the plural shall include the singular, and the use of any gender shall include any and all genders.

9.10 Time of Performance. Time is of the essence.

9.11 **Definition of Knowledge.** The words "known," "to the knowledge of," "to the best knowledge of," or words of similar import employed in the Transaction Documents with reference to Seller shall be mean the actual knowledge of Emelia Fabricant, President of Seller, as well as the knowledge that would be expected of an individual holding the office of President of Seller following the execution with due care of the duties and responsibilities of such office.

9.12 **Reserved.**

9.13 **Counsel.** Each party hereto warrants and represents that such party has been afforded the opportunity to be represented by counsel of its choice in connection with the execution of this Agreement and has had ample opportunity to read, review and understand the provisions of this Agreement.

9.14 **No Construction Against Preparer.** No provision of the Transaction Documents shall be construed against or interpreted to the disadvantage of any party by any court or other governmental or judicial authority by reason of such party's having or being deemed to have prepared or imposed such provision.

9.15 **Entire Agreement.** This Agreement supersedes all prior discussions and agreements between the parties with respect to the subject matter hereof; provided, however, that the Confidentiality Agreement shall remain in full force and effect, and this Agreement contains the sole and entire agreement among the parties with respect to the matters covered hereby. This Agreement shall not be altered or amended except by an instrument in writing signed by or on behalf of the party entitled to the benefit of the provision against whom enforcement is sought.

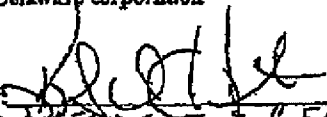
9.16 **Expenses.** Except as otherwise expressly provided herein, each party hereto shall pay its respective expenses (such as legal, investment banking and accounting fees) incurred in connection with the origination, negotiation, execution and performance of the Transaction Documents; provided, however, that by way of illustration and not of limitation, in the event that there is a dispute between the parties concerning the interpretation and/or enforcement of the Transaction Documents, the prevailing party shall be entitled to recover any and all costs and expenses, including without limitation, attorneys' fees, incurred in connection therewith.

[SIGNATURE PAGE IMMEDIATELY FOLLOWING]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

PURCHASER:

TRS ACQUISITION SUBSIDIARY, INC.,
a Delaware corporation

By: 
Its: PRESIDENT, CEO

SELLER:

ESTYLE, INC., a Delaware corporation

By: _____
Its: _____

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

PURCHASER:

TRS ACQUISITION, SUBSIDIARY, INC.,
a Delaware corporation

By: _____
Its: _____

SELLER:

ESTYLE, INC., a Delaware corporation

By: *[Signature]*
Its: *President*

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

JOINDER

The undersigned, HANCOCK PARK CAPITAL II, L.P., a Delaware limited partnership ("*Hancock Park*") hereby enters into this Joinder (the "*Joinder*") as required pursuant to the terms and conditions of that certain Asset Purchase Agreement ("*Agreement*") entered into by and between TRS ACQUISITION SUBSIDIARY, INC., a Delaware corporation, dba THE RIGHT START ("*Purchaser*"), and ESTYLE, INC., a Delaware corporation, dba babystyle, Cadeau, and Cadeau Designs ("*Seller*") as of the Effective Date (as defined in the Agreement. Unless otherwise set forth in this Joinder, all capitalized terms shall have the meanings as set forth in the Agreement.

1. Guaranty of Obligations.

a. In connection with the Agreement, Hancock Park agrees to guaranty the obligations of Purchaser under the Agreement solely with respect to the following (the "Guaranteed Obligations"): (1) the payment of the Purchase Price to Seller pursuant to the terms and conditions of the Agreement, as if Hancock Park was an original signatory to the Agreement on behalf of Purchaser, and (2) the indemnification obligation of Purchaser pursuant to Section 2.4 of the Agreement with respect to claims or demands for commissions or other compensation by any broker, finder or similar agent claiming to have been employed by or on behalf of Purchaser.

b. This guaranty (a) is an irrevocable, absolute, continuing guaranty of payment and performance of the Guaranteed Obligations, (b) shall not be discharged by the assignment of any rights of Purchaser whatsoever, (c) shall be deemed to be satisfied, void and of no further force and effect upon the payment in full of the Guaranteed Obligations; provided, however, that in the event that any amount paid in connection with the Guaranteed Obligations is subsequently subject to disgorgement or recovery, this Joinder and the obligations of Hancock Park hereunder shall be revised and of full force and effect as if never terminated.

c. Upon the occurrence of (1) Purchaser's failure to pay the Purchase Price in the amount and when due as set forth in the Agreement, and/or (2) breach of any of the Guaranteed Obligations by Purchaser, upon written notice to Hancock Park, Hancock Park shall immediately, and without presentment, protest and/or notice of any kind or nature, pay in lawful money of the United States of America, the amount due on or in connection with such Guaranteed Obligations. Such demand(s) may be made at any time and from time to time as appropriate. It shall not be necessary for Seller (and Hancock Park hereby waives any rights which Hancock Park may have to require Seller), in order to enforce this Joinder against Hancock Park, first to (i) institute suit or exhaust its remedies against Purchaser or others liable on the Agreement or the obligations of Purchaser thereunder or any other person, (ii) join Purchaser or any others liable on the obligations of Purchaser under the Agreement in any action seeking to enforce this the Agreement and/or this Joinder, (iii) exhaust any remedies available to Seller against any deposits and/or any collateral which shall ever have been given to secure the Agreement, or (iv) resort to any other means of obtaining payment or performance of the obligations of Purchaser under the Agreement. Seller shall not be required to mitigate damages or take any other action to reduce, collect or enforce the Guaranteed Obligations.

d. Hancock Park agrees to the provisions of the Agreement, and hereby waives notice of (1) any extensions of credit made by Seller to Purchaser, (2) acceptance of this Joinder, (3) any amendment or extension of the Agreement, (4) except as otherwise expressly provided herein, the occurrence of any breach by Purchaser or event of default under the Agreement, (5) Seller's transfer or disposition of the Guaranteed Obligations, or any part thereof, and/or (6) any other action at any time taken or omitted by Seller, and, generally, all demands and notices of every kind in connection with this Joinder, the

Transaction Documents, any documents or agreements evidencing, securing or relating to any of the Guaranteed Obligations.

e. In the event that Hancock Park should breach or fail to timely perform any provisions of this Joinder, Hancock Park shall, immediately upon demand by Seller, pay Seller all costs and expenses (including court costs and reasonable attorneys' fees) incurred by Seller in the enforcement hereof or the preservation of Seller's rights hereunder.

2. Representations, Warranties and Covenants. Hancock Park hereby agrees, represents and warrants as follows:

a. Hancock Park has read the Agreement, the Transaction Documents, and this Joinder, and knows and understands its contents and the contents of the Agreement, the Transaction Documents and this Joinder fully. Hancock Park voluntarily executes this Joinder.

b. Hancock Park has full power and authority to enter into this Joinder. No further consent is required for the execution and delivery of this Joinder. The signatory on behalf of Hancock Park below is duly authorized to execute and deliver this Joinder on behalf of Hancock Park.

c. Hancock Park is familiar with and has independently reviewed books and records regarding the financial condition of Purchaser. Hancock Park further expressly acknowledges and agrees that neither Seller nor any other party has made any representation, warranty or statement to Hancock Park in order to induce Hancock Park to execute this Joinder.

d. As of the Effective Date and through the Closing Date, and after giving effect to this Joinder and the contingent obligation evidenced hereby, Hancock Park is, and will be, individually and collectively, solvent, and has and will have assets which, fairly valued, exceed its obligations, liabilities (including contingent liabilities) and debts, and has and will have property and assets sufficient to satisfy and repay its obligations and liabilities.

f. The execution, delivery and performance by Hancock Park of this Joinder and the consummation of the transactions contemplated hereunder, do not, and will not, contravene or conflict with any law, statute or regulation whatsoever to which Hancock Park is subject or constitute a default (or an event which with notice or lapse of time or both would constitute a default) under, or result in the breach of, any indenture, mortgage, deed of trust, charge, lien, or any contract, agreement or other instrument to which Hancock Park is a party or which may be applicable to Hancock Park and/or Purchaser. This Joinder is a legal and binding obligation of Hancock Park and is enforceable in accordance with its terms, except as limited by bankruptcy, insolvency or other laws of general application relating to the enforcement of creditors' rights. All representations and warranties made by Hancock Park herein shall survive the execution hereof.

g. There are no proceedings pending or, so far as Hancock Park knows, threatened before any court or administrative agency which, if decided adversely to Hancock Park, would materially adversely affect the financial condition of Purchaser, Hancock Park, the business and operations of Purchaser and/or Hancock Park, or the authority of Hancock Park to enter into, or the validity or enforceability of this Joinder.

h. Hancock Park has and will have, free and clear, adequate unrestricted funds on hand to fund the Purchase Price, and is and shall remain obligated to do so in accordance with the Agreement and this Joinder.

i. Hancock Park acknowledges that Seller is relying on this Joinder in entering into the Agreement.

3. Miscellaneous.

a. No failure to exercise, and no delay in exercising, on the part of Seller, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right. The rights of Seller hereunder shall be in addition to all other rights provided by law. No modification or waiver of any provision of this Joinder, nor consent to departure therefrom, shall be effective unless in writing, signed by Seller, expressly referencing a modification or waiver of this Joinder, and no such consent or waiver shall extend beyond the particular case and purpose involved. No notice or demand given in any case shall constitute a waiver of the right to take other action in the same, similar or other instances without such notice or demand. This Joinder shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives; provided, however, that Hancock Park may not, without the prior written consent of Seller, assign any of its rights, powers, duties or obligations hereunder.

b. All notices, demands or other communications required or permitted to be given or made hereunder shall be in writing and delivered personally, via facsimile, via email, via priority/overnight mail, or sent by pre-paid, first class, certified or registered air mail (or the functional equivalent in any country), return receipt requested, to the intended recipient thereof at its address, email, and/or facsimile number set out below. Any such notice, demand or communication shall be deemed to have been duly given immediately (if given or made by confirmed facsimile or via email to the address as set forth below), or one day after mailing (if sent via a respected overnight/priority mail service), or three days after mailing (if given or made by letter addressed to a location within the country in which it is posted) or seven days after mailing (if made or given by letter addressed to a location outside the country in which it is posted), and in proving same it shall be sufficient to show that the envelope containing the same was duly addressed, stamped and posted, or that receipt of a facsimile and/or email was confirmed by the recipient. The addresses and facsimile numbers and email addresses of the parties for purposes of this Agreement are:

If to Hancock Park: **HANCOCK PARK CAPITAL II, L.P.**
1880 Century Park East, Suite 900
Los Angeles, California 90067
(310) 228-6900
(310) 228-6939 (Fax)
Attention: Kenton S. Van Harten

If to Purchaser: **TRS ACQUISITION SUBSIDIARY, INC.**
26635 Agoura Road, Suite 201
Calabasas, California 91302
() Direct Line
() Fax
Email: _____
Attention: _____

With a copy to:
(For Hancock Park
and Purchaser)

Schottenstein, Zox & Dunn Co., LPA
250 West Street, Suite 700
Columbus, Ohio 43215
(614) 462-5135 (Fax)
Attention Robert R. Ouellette
rouellette@szd.com

If to Seller:

eStyle, Inc.
865 South Figueroa Street
Suite 2700
Los Angeles, CA 90017
EFabricant@babystyle.com

With a copy to:

Baer & Troff, LLP
225 S. Lake Avenue, Suite 600
Pasadena, California 91101
(310) 802-4200
(310) 471-6971 (fax)
Attention: Jim Baer, Esq.
jim@BTL LLP.com

SulmeyerKupetz, a professional corporation
333 South Hope Street, 35th Floor
Los Angeles, California 90071
Attention: David S. Kupetz, Esq.
213-617-5274 (phone)
213-629-4520 (fax)
dkupetz@sulmeyerlaw.com

Any party may change the address to which notices, requests, demands or other communications to such party shall be delivered or mailed by giving notice thereof to the other parties hereto in the manner provided herein.

e. This Joinder shall be governed by and construed in accordance with the laws of the State of California. Hancock Park hereby irrevocably submits to the jurisdiction of any court of competent jurisdiction located in Los Angeles, California. The Bankruptcy Court shall retain exclusive jurisdiction over this Joinder, and the interpretation and enforcement hereof. Facsimile signatures shall constitute original signatures for all purposes of this Joinder.

d. If any provision of this Joinder is held to be illegal, invalid, or unenforceable under present or future laws effective during the term of this Joinder, such provision shall be fully severable and this Joinder shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Joinder, and the remaining provisions of this Joinder shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Joinder, unless such continued effectiveness of this Joinder, as modified, would be contrary to the basic understandings and intentions of the parties as expressed herein.

e. If Hancock Park becomes liable for any indebtedness owing by Purchaser to Seller, by endorsement or otherwise, other than under this Joinder, such liability shall not be in any manner impaired or affected hereby, and the rights of Seller hereunder shall be cumulative of any and all other rights that Seller may ever have against Hancock Park. The exercise by Seller of any right or remedy

hereunder or under any other instrument, or at law or in equity, shall not preclude the concurrent or subsequent exercise of any other right or remedy.

f. THIS JOINDER EMBODIES THE FINAL, ENTIRE AGREEMENT OF HANCOCK PARK WITH RESPECT TO HANCOCK PARK'S GUARANTY OF PURCHASER'S OBLIGATIONS, AND SUPERSEDES ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS, AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF. THIS JOINDER IS INTENDED BY HANCOCK PARK AS A FINAL AND COMPLETE EXPRESSION OF THE TERMS OF THE JOINDER, AND NO COURSE OF DEALING BETWEEN HANCOCK PARK AND SELLER, NO COURSE OF PERFORMANCE, NO TRADE PRACTICES, AND NO EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OR OTHER EXTRINSIC EVIDENCE OF ANY NATURE SHALL BE USED TO CONTRADICT, VARY, SUPPLEMENT OR MODIFY ANY TERM OF THIS JOINDER AGREEMENT. THERE ARE NO ORAL AGREEMENTS BETWEEN HANCOCK PARK AND SELLER.

g. WAIVER OF RIGHT TO TRIAL BY JURY. HANCOCK PARK HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS JOINDER, OR THE OTHER TRANSACTION DOCUMENTS, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY HANCOCK PARK, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. SELLER IS HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY HANCOCK PARK.

[SIGNATURE PAGE IMMEDIATELY FOLLOWING]

This Joinder is being executed as of the Effective Date.

HANCOCK PARK CAPITAL II, L.P.,
a Delaware limited partnership

By: 

Print Name: Kenton S. Van Harten

Title: Director

**SCHEDULES TO ASSET PURCHASE AGREEMENT
BETWEEN
TRS ACQUISITION SUBSIDIARY, INC. ("Purchaser"), and ESTYLE, INC., ("Seller")**

- Schedule 1.1(a)** List of Approved Locations/Assumed Leases
- Schedule 1.1(b)** List of Equipment Leases
- Schedule 1.1(h)** List of Assigned Contracts
- Schedule 1.2(c)** List of Non-Assigned Contracts
- Schedule 1.3(a)** List of Assumed Accounts Payable
- Schedule 1.7** Wire Instructions (for payment to eStyle);
- Schedule 3.7** List of all Claims

Schedule 1.1(a)
List of Approved Locations/Assumed Leases

The Assumed Leases shall include those leases in which Seller is the lessee/sub-lessee at the following locations (the "Approved Locations"):

	<u>Approved Location</u>	<u>Lessor/Sub-lessor</u>
1	Manhattan Village Shopping Center 3200 Sepulveda Blvd., C-5 Manhattan Beach, CA 90266 Los Angeles County	RREEF America REITII Corp BB
2	Fashion Island 1103A Newport Center Dr. Newport Beach, CA 92660 Orange County	The Irvine Company, LLC
3	1324 Montana Ave. Santa Monica, CA 90403 Los Angeles County	Maxtana Avenue, LLC
4	1319 Burlingame Avenue Burlingame, CA 94010 San Mateo County	Burlingame Drug Inc. (sublease)
5	Westfield Fashion Square 14006 Riverside Dr. Space 112 Sherman Oaks, CA 91423 Los Angeles County	Sherman Oaks Fashion Assocs., LP
6	Kierland Commons 15215 N. Kierland Blvd. #175 Scottsdale, AZ 85254 Maricopa County	Kierland Residential/Retail LLC
7	Scottsdale Fashion Square 7014 East Camelback Rd Scottsdale, AZ 85251 Maricopa County	Scottsdale Fashion Square Partnership
8	Westfield Shoppingtown Valley Fair 2855 Stevens Creek Blvd. Suite 2178 Santa Clara, CA 95050-6709 Santa Clara County	VF Mall, LLC / Westfield, LLC
9	The Mall at Short Hills 1200 Morris Turnpike, #A-123 Short Hills, NJ 07078 Essex County	Short Hills Associates, LLC

	<u>Approved Location</u>	<u>Lessor/Sub-lessor</u>
10	Bellevue Square 475 100th Ave NE Bellevue, WA 98004 King County	Bellevue Square Managers, Inc.
11	Cadeau Maternity store 254 Elizabeth St. New York, NY 10012 New York County	KGS Elizabeth, LLC
12	Cherry Creek Shopping Center 3000 East First Avenue, Suite 159 Denver, CO 80206 Denver County	Taubman Cherry Creek Shopping

Schedule 1.1(b)
List of Equipment Leases

1. Technology Finance Corporation 1555-001 (see Note 1 below)
2. Technology Finance Corporation 1555-002
3. Technology Finance Corporation 1555-003
4. Technology Finance Corporation 1555-006 (see Note 1 below)
5. Technology Finance Corporation 1555-009
6. Technology Finance Corporation 1555-010
7. Technology Finance Corporation 1555-011
8. Pitney Bowes

NOTE 1: The above-referenced leases include equipment that is leased to Seller at the Approved Locations, and certain equipment that is leased to Seller at other stores that are closing.

Schedule 1.1(h)
List of Assigned Contracts

1. AT&T—Master Agreement for The Irvine Data Center only
2. Bergen Logistics
3. Fujitsu Transaction Solutions
4. Kliger-Weiss Info Systems Inc. (KWI)
5. Krupp Public Relations
6. Log-on Business Systems
7. Oracle License and Services Agreement V122304, dated 2/24/05, the amendment(s) thereto, and the related Oracle support and maintenance agreements
8. ProfitPoint, Inc.
9. Yesmail, Inc.
10. VeriSign
11. Mark Crivelli (lessor of leased space in a parking garage in Santa Monica for additional storage for the store)
12. New Breed, Inc. (subject to final negotiations, with negotiations ongoing)

Schedule 1.2(c)
List of Non-Assigned Contracts

Merchant Agreements for Processing Services

1. American Express
2. Chase Manhattan Services LLC
3. Discover Financial Services LLC
4. JP Morgan Chase Bank

Leases for Non-Approved Locations

1. Bellwether Properties of Mass. LP
2. Fashion Mall Partners LP (Westchester Mall)
3. Glendale I Mall Associates, LLC
4. JC/SC LLC
5. Mayflower Atrium, LLC
6. Mission Viejo Associates LP
7. NorthPark Partners, LP
8. Simon Property Group (TX), LP
9. The Retail Property Trust
10. West Farms Mall LLC
11. Willow Bend Shopping Center LP
12. John Hancock Life Insurance Company (U.S.A.), successor-in-interest to The Manufacturers Life Insurance Company, concerning the Corporate Headquarters located at 865 South Figueroa St., Ste 2700, Los Angeles, CA 90017

Equipment Leases for Non-Approved Locations

1. Technology Finance Corporation 1555-004
2. Technology Finance Corporation 1555-005
3. Technology Finance Corporation 1555-007
4. Technology Finance Corporation 1555-008
5. Canon Financial Services, Inc.

Other Contracts

1. Amazon
2. AT&T (all contracts other than the Master Agreement for The Irvine Data Center)
3. Austin & Associates
4. Citicorp Credit Services, Inc.
5. Citicorp Vendor Finance, Inc.
6. Coremetrics, Inc.
7. DoubleClick, Inc./Epsilon Data Management/Abacus
8. United Parcel Services (including UPS Freight Services and UPS Supply Chain Services)
9. GPL Consulting
10. I-Media Insights, Inc.
11. Linkshare
12. Manhattan Associates, Inc.
13. Resources Global Professionals
14. DLC, Inc.
15. KPMG LLP
16. Law Offices of David H. Baker
17. The Zellman Group, LLC (relating to both the sales and financial audit services and the loss and prevention services)

Schedule 1.3(a)

List of Assumed Accounts Payable (subject to further update by Seller prior to and/or concurrent with the Closing)

<u>Supplier Name</u>	<u>Invoice Number</u>	<u>Line Date</u>	<u>Code</u>	<u>USD Amount</u>	<u>Description</u>
3-SIGMA,LLC	114	9-May-08	USD	\$ 3,058.20	PO#63249
ACCO ENGINEERED SYSTEMS	477320	1-Mar-08	USD	\$ 43.68	8-Mar
ACCOUNTEMPS	21638910	2-Jun-08	USD	\$ 1,180.00	5/30/08 Brandon GI
ADT SECURITY SERVICES, IN	10216895	28-Apr-08	USD	\$ 2,575.31	5/1/08-7/31/08
ALBERSTONE ENTERPRISES	559235	27-May-08	USD	\$ 92.55	Mar/Apr08
ALERT RETAIL SERVICES, IN	237272	29-May-08	USD	\$ 172.00	SMM repairs
ALERT RETAIL SERVICES, IN	237273	29-May-08	USD	\$ 245.00	GLN repairs
AM MAINTENANCE, INC	05/008	5-May-08	USD	\$ 75.81	CNY Mar-Apr08
ATLAS PAPER COMPANY	2614379	20-May-08	USD	\$ 34.85	8-May
ATLAS PAPER COMPANY	2614413	21-May-08	USD	\$ 34.85	8-May
ATLAS PAPER COMPANY	2614380	20-May-08	USD	\$ 74.10	8-May
ATLAS PAPER COMPANY	2614412	21-May-08	USD	\$ 104.55	8-May
ATLAS PAPER COMPANY	2614423	21-May-08	USD	\$ 140.80	8-May
ATLAS PAPER COMPANY	2614473	21-May-08	USD	\$ 366.20	8-May
ATLAS PAPER COMPANY	2614472	21-May-08	USD	\$ 417.45	8-May
ATLAS PAPER COMPANY	2614469	21-May-08	USD	\$ 436.60	8-May
ATLAS PAPER COMPANY	2614471	21-May-08	USD	\$ 472.10	8-May
ATLAS PAPER COMPANY	2614468	21-May-08	USD	\$ 480.50	8-May
ATLAS PAPER COMPANY	2614470	21-May-08	USD	\$ 507.75	8-May
BABY JOGGER	C76025	3-Apr-08	USD	\$ (191.25)	8171634
BACA, ALICIA	20-May-08	20-May-08	USD	\$ 84.00	Parking May08
BASQ SKIN CARE	61804	1-Apr-08	USD	\$ (284.00)	PO#61804 wrong UPC
BISHT, CHANDAN	30-May-08	30-May-08	USD	\$ 50.00	Cell phone
BRAND SCIENCE, LLC	663360	9-May-08	USD	\$ 10,800.00	PO#63199
BUGABOO NORTH AMERICA, IN	706320	10-Mar-08	USD	\$ 8.23	CKK
BUREAU VERITAS	51990402	23-May-08	USD	\$ 38.00	Testing
BUREAU VERITAS	51983530	23-May-08	USD	\$ 39.00	Testing
BUREAU VERITAS	51981548	22-May-08	USD	\$ 42.00	Testing
BUREAU VERITAS	51983514	23-May-08	USD	\$ 49.00	Testing
BUREAU VERITAS	51983515	23-May-08	USD	\$ 49.00	Testing
BUREAU VERITAS	51992717	29-May-08	USD	\$ 53.20	Testing
BUREAU VERITAS	51976164	19-May-08	USD	\$ 60.00	Testing
BUREAU VERITAS	51976181	19-May-08	USD	\$ 63.00	Testing
BUREAU VERITAS	51976193	19-May-08	USD	\$ 63.00	Testing
BUREAU VERITAS	51977613	20-May-08	USD	\$ 63.00	Testing
BUREAU VERITAS	51983517	23-May-08	USD	\$ 63.00	Testing
BUREAU VERITAS	51984613	26-May-08	USD	\$ 63.00	Testing
BUREAU VERITAS	51987937	27-May-08	USD	\$ 63.00	Testing

BUREAU VERITAS	51994398	2-Jun-08	USD	\$	63.00	Testing
BUREAU VERITAS	51994399	2-Jun-08	USD	\$	63.00	Testing
BUREAU VERITAS	51979668	21-May-08	USD	\$	76.00	Testing
BUREAU VERITAS	51983516	29-May-08	USD	\$	83.00	Testing
BUREAU VERITAS	51976169	19-May-08	USD	\$	88.00	Testing
BUREAU VERITAS	51976175	19-May-08	USD	\$	88.00	Testing
BUREAU VERITAS	51976182	19-May-08	USD	\$	88.00	Testing
BUREAU VERITAS	51994397	2-Jun-08	USD	\$	106.40	Testing
BUREAU VERITAS	51984619	26-May-08	USD	\$	120.00	Testing
BUREAU VERITAS	51994395	2-Jun-08	USD	\$	140.00	Testing
BUREAU VERITAS	51994396	2-Jun-08	USD	\$	142.00	Testing
BUREAU VERITAS	51976156	19-May-08	USD	\$	152.00	Testing
BUREAU VERITAS	51983512	23-May-08	USD	\$	182.00	Testing
BUREAU VERITAS	51976196	19-May-08	USD	\$	192.00	Testing
BUREAU VERITAS	51979665	21-May-08	USD	\$	195.00	Testing
BUREAU VERITAS	51981543	22-May-08	USD	\$	195.00	Testing
BUREAU VERITAS	51981553	22-May-08	USD	\$	195.00	Testing
BUREAU VERITAS	51981555	22-May-08	USD	\$	195.00	Testing
BUREAU VERITAS	51981557	22-May-08	USD	\$	195.00	Testing
BUREAU VERITAS	51981558	22-May-08	USD	\$	195.00	Testing
BUREAU VERITAS	51981559	22-May-08	USD	\$	195.00	Testing
BUREAU VERITAS	51987926	27-May-08	USD	\$	195.00	Testing
BUREAU VERITAS	51987928	27-May-08	USD	\$	195.00	Testing
BUREAU VERITAS	51987934	27-May-08	USD	\$	195.00	Testing
BUREAU VERITAS	51987938	27-May-08	USD	\$	195.00	Testing
BUREAU VERITAS	51990401	29-May-08	USD	\$	195.00	Testing
BUREAU VERITAS	51992719	29-May-08	USD	\$	195.00	Testing
BUREAU VERITAS	51992723	29-May-08	USD	\$	195.00	Testing
BUREAU VERITAS	51992724	29-May-08	USD	\$	195.00	Testing
BUREAU VERITAS	51992752	29-May-08	USD	\$	195.00	Testing
BUREAU VERITAS	51981547	22-May-08	USD	\$	225.00	Testing
BUREAU VERITAS	51984609	26-May-08	USD	\$	225.00	Testing
BUREAU VERITAS	51981556	22-May-08	USD	\$	233.00	Testing
BUREAU VERITAS	51983513	23-May-08	USD	\$	244.00	Testing
BUREAU VERITAS	51981554	22-May-08	USD	\$	245.00	Testing
BUREAU VERITAS	51984612	26-May-08	USD	\$	245.00	Testing
BUREAU VERITAS	51987929	27-May-08	USD	\$	245.00	Testing
BUREAU VERITAS	51981544	22-May-08	USD	\$	255.00	Testing
BUREAU VERITAS	51981549	22-May-08	USD	\$	261.00	Testing
BUREAU VERITAS	51981552	22-May-08	USD	\$	261.00	Testing
BUREAU VERITAS	51979667	21-May-08	USD	\$	271.00	Testing
BUREAU VERITAS	51992725	29-May-08	USD	\$	271.00	Testing
BUREAU VERITAS	51992726	29-May-08	USD	\$	271.00	Testing

BUREAU VERITAS	12299250	23-May-08	USD	\$	273.00	Testing
BUREAU VERITAS	51981546	22-May-08	USD	\$	295.00	Testing
BUREAU VERITAS	51981550	22-May-08	USD	\$	327.00	Testing
BUREAU VERITAS	51984611	26-May-08	USD	\$	334.00	Testing
BUREAU VERITAS	51981551	22-May-08	USD	\$	365.00	Testing
BUREAU VERITAS	51981545	22-May-08	USD	\$	423.00	Testing
BUREAU VERITAS	51992755	29-May-08	USD	\$	423.00	Testing
BUREAU VERITAS	51987940	27-May-08	USD	\$	499.00	Testing
BUREAU VERITAS	51987941	27-May-08	USD	\$	499.00	Testing
BUREAU VERITAS	51987933	27-May-08	USD	\$	879.00	Testing
BURRELLE'S LUCE	8061822	28-May-08	USD	\$	340.58	May08 clippings
CANON FINANCIAL SERVICES,	4000765307	13-May-08	USD	\$	434.07	2/10/08-5/09/08
CARGO UNLIMITED WORLDWIDE	805009	22-May-08	USD	\$	135.00	61012
CARGO UNLIMITED WORLDWIDE	805014	27-May-08	USD	\$	135.00	63236
CARGO UNLIMITED WORLDWIDE	805011	22-May-08	USD	\$	180.00	63224
CARGO UNLIMITED WORLDWIDE	805010	22-May-08	USD	\$	395.00	63199
CARGO UNLIMITED WORLDWIDE	805008	22-May-08	USD	\$	398.00	62992
CARGO UNLIMITED WORLDWIDE	805007	22-May-08	USD	\$	990.00	61520
CIGNA HEALTHCARE - PREMIU	08000613-00338	31-Mar-08	USD	\$	1,213.59	8-Mar
CITY TEMPS	21196	3-Jun-08	USD	\$	4,077.29	5/31/2008
COREMETRICS, INC	11651	1-Mar-08	USD	\$	1,373.39	8-Mar
DEER PARK	08D0430101170	16-Apr-08	USD	\$	56.96	CNY 3/17/08-4/16/0
DELTA CARE USA	2595261	1-Jun-08	USD	\$	92.29	8-Jun
DELTA CARE USA	2595345	1-Jun-08	USD	\$	14.86	8-Jun
DLC, INC	10475	4-Jun-08	USD	\$	4,320.00	5/31/08 Doug Jeric
DLC, INC	10285	28-May-08	USD	\$	4,860.00	5/25/08 Dough Jeri
DLC, INC	10365	4-Jun-08	USD	\$	5,940.00	5/1/08 Jignesh Gar
DLC, INC	10166	28-May-08	USD	\$	7,425.00	5/25/08 Jignesh Ga
DMX MUSIC, INC.	947752	1-Mar-08	USD	\$	398.39	8-Mar
DZ TRADING, LTD.	08BABY005	27-May-08	USD	\$	190.36	Samples
EXTRA SPACE STORAGE	52008	28-May-08	USD	\$	364.00	8-May
FINNEGAN, HENDERSON, FARA	1070384	20-May-08	USD	\$	42.37	Apr08 trademark
FINNEGAN, HENDERSON, FARA	1070383	20-May-08	USD	\$	93.51	Apr08 trademark
FINNEGAN, HENDERSON, FARA	1070393	20-May-08	USD	\$	149.09	Apr08 general matt
FINNEGAN, HENDERSON, FARA	1070387	20-May-08	USD	\$	1,507.52	Apr08 trademark
GILBERT COMPANY, INC.	7385480	27-May-08	USD	\$	73.19	5/28/2008
GILBERT COMPANY, INC.	7439801	29-May-08	USD	\$	435.90	5/30/2008
GILBERT COMPANY, INC.	117235	21-Mar-08	USD	\$	2,496.80	3/17/08-3/21/08
GILBERT COMPANY, INC.	118325	9-May-08	USD	\$	5,355.78	5/5/08-5/9/08
GILBERT COMPANY, INC.	118475	16-May-08	USD	\$	5,906.06	5/12/08-5/16/08
INTERCALL	12106778	31-Mar-08	USD	\$	571.87	8-Mar
LOS ANGELES COUNTY TAX CO	13/2008	3-Jun-08	USD	\$	2,550.70	SMM 2008 taxes
LOS ANGELES COUNTY TAX CO	27161215	10-Jun-08	USD	\$	4,959.04	2008 taxes

LOS ANGELES COUNTY TAX CO	27161738	10-Jun-08	USD	\$ 1,384.23	2008 taxes
LOS ANGELES COUNTY TAX CO	27163230	10-Jun-08	USD	\$ 4,083.66	2008 taxes
ME & MY KIDZ, LLC	2121	7-May-08	USD	\$ 1,432.80	PO#63125
MONSTER, INC	3243372-12	9-Jun-07	USD	\$ 874.66	6/8/07-6/8/08
M&B CONSULTING SERVICES	11689	28-Apr-08	USD	\$ 802.76	De-install + packa
MUSTELA	85114	28-May-08	USD	\$ 3,397.68	PO#63128
MUSTELA	85113A	28-May-08	USD	\$ 692.64	PO#63246
NAKED PAINT, LLC	63248	27-May-08	USD	\$ 580.00	PO#63248
NAKED PAINT, LLC	63233	13-May-08	USD	\$ 870.00	PO#63233
NEST CHILDREN	61571	11-Apr-08	USD	\$ (50.00)	PO#61571 Shipped w
OFFICE DEPOT, INC.	430729431-001	20-May-08	USD	\$ 42.29	Supplies
OFFICE DEPOT, INC.	430168916-001	20-May-08	USD	\$ 48.68	Supplies
OFFICE DEPOT, INC.	430064495-001	20-May-08	USD	\$ 59.68	Supplies
OFFICE DEPOT, INC.	430103500-001	20-May-08	USD	\$ 90.59	Supplies
OFFICE DEPOT, INC.	429961560-001	20-May-08	USD	\$ 93.52	Supplies
OFFICE DEPOT, INC.	429917960-001	20-May-08	USD	\$ 105.50	Supplies
OFFICE DEPOT, INC.	430533448-001	20-May-08	USD	\$ 111.34	Supplies
OFFICE DEPOT, INC.	430159714-001	20-May-08	USD	\$ 119.98	Supplies
OFFICE DEPOT, INC.	430156882-001	20-May-08	USD	\$ 126.12	Supplies
OFFICE DEPOT, INC.	430202092-001	20-May-08	USD	\$ 186.98	Supplies
OFFICE DEPOT, INC.	430835681-001	20-May-08	USD	\$ 215.16	Supplies
OFFICE DEPOT, INC.	602249989	22-Mar-08	USD	\$ 397.45	Supplies
OFFICE DEPOT, INC.	431401430-001	27-May-08	USD	\$ 602.92	Supplies
ORAS	102	28-May-08	USD	\$ 740.00	PO#62989
PITNEY BOWES	20-May-08	20-May-08	USD	\$ 558.42	5/1/2008
QWEST	28-Apr-08	28-Apr-08	USD	\$ (47.75)	KRC 4/28/08-5/27/0
REGENCY LIGHTING	1110380	30-Apr-08	USD	\$ (1,981.82)	WIL lights
REGENCY LIGHTING	1108980	29-Apr-08	USD	\$ (1,415.59)	WIL lights
REGENCY LIGHTING	1076337	24-Mar-08	USD	\$ 3,653.90	WIL lights
ROTH BROS., INC	968831	30-May-08	USD	\$ 1,045.22	CNY repairs
SAN MATEO COUNTY CLERK	1825	20-May-08	USD	\$ 5,701.11	BUR 2008 taxes
SHAW VALENZA, LLP	12053	7-Apr-08	USD	\$ 544.00	8-Mar
SIGG SWITZERLAND (USA)	29437	14-May-08	USD	\$ 2,556.00	PO#63225
SPRINT	6870019513	21-Mar-08	USD	\$ 104.84	8-Mar
STACK RESOURCES, LLC	3365	12-May-08	USD	\$ 2,739.20	PO#61520
STANLEY SECURITY SOLUTION	621046	3-Jun-08	USD	\$ 15.42	BSQ keys
THINK BABY dba THINK OPER	102578	29-May-08	USD	\$ 2,383.20	PO#62761
TUFFO	7887	14-May-08	USD	\$ 2,812.50	PO#63224
UPS	10-May-08	10-May-08	USD	\$ 29,235.88	ACH - 5/10/08
WASTE MANAGEMENT	6265230-2514-8	1-May-08	USD	\$ (92.55)	CKK Apr08

Schedule 1.7
Wire Instructions

Company Name: Estyle, Inc.
Company Address: 865 S. Figueroa Street, Suite 2700, Los Angeles, CA 90017

Account Number: 2000035271967
Routing/ABA#: 0530-00219

Bank Name: Wachovia Bank, NA
Bank Address: Charlotte, NC

Schedule 3.7
Claims

Note that "Claims" are defined as any material actions, suits, claims, investigations, hearings, or proceedings of any type pending (or, to the knowledge of Seller, threatened) instituted against Seller challenging the legality of the transactions contemplated in this Agreement.

NONE.

SulmeyerKupetz, A Professional Corporation
333 SOUTH HOPE STREET, THIRTY-FIFTH FLOOR
LOS ANGELES, CALIFORNIA 90071-1406
TEL. 213.626.2311 • FAX 213.628.4520

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

EXHIBIT 2
Term Sheet with New Breed, Inc.
(see attached)

[MSHORD\520783.1 7/15/2003 (12:50 PM)]

NB

NEW BREED

July 2, 2008

Ms Katrine Fernandes
Babystyle
865 South Figueroa Street
Los Angeles, CA 90017

Dear Ms. Fernandes:

We have enclosed a response to your counteroffer dated July 1, 2008. We are willing to make the changes outlined effective upon agreement. They provide an equitable basis going forward but are contingent on resolution of our pre-petition invoicing as outlined below.

The significant changes from current billing are as follows:

- Current minimums remain in place until 50% of all pre-petition invoice amounts have been recovered.

At such time as the condition above has been met:

- The weekly minimums on DTC and retail are reduced from 14,750 units and 19,250 units respectively to 8,100 and 14,122.
- Measurement to minimums will be made on a combined basis, 22,222 per week or 88,888 per month.
- The price break on DTC will occur after 8,100 units and will be \$1.28 per unit.
- The price break on retail will occur after 14,122 units and will be \$0.90 per unit.
- All work orders will be applied to minimum shortages.

We have prepared an amendment to the current contract.

Sincerely,



Dennis C. Hunt
Executive Vice President
Aerospace & Government Services

DCH/cr

New Breed Corporations

PO Box 18367
Greensboro,
North Carolina
27419-8367

P 336.232.4100
F 336.232.4890
E info@newbreed.com
W www.newbreed.com

EX. 2
-58-

TRADEMARK
REEL: 004033 FRAME: 0368

SulmeyerKupetz, A Professional Corporation
333 SOUTH HOPE STREET, THIRTY-FIFTH FLOOR
LOS ANGELES, CALIFORNIA 90071-1406
TEL. 213.628.2311 • FAX 213.629.4520

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

NOTICE OF ENTRY SERVICE LIST

VIA E-MAIL

VIA U.S. MAIL

OFFICE OF THE UNITED STATES TRUSTEE

Office of the United States Trustee
Attn: Bruce Schildkraut, Esq.
Ernst & Young Plaza
725 S. Figueroa St., 26th Floor
Los Angeles, CA 90017
Bruce.Schildkraut@usdoj.gov

ATTORNEY FOR DEBTOR

David S. Kupetz, Esq.
SULMEYERKUPETZ
333 S. Hope Street, Thirty-Fifth Floor
Los Angeles, CA 90071-1406
dkupetz@sulmeyerlaw.com

ATTORNEY FOR COMMITTEE OF UNSECURED CREDITORS

Craig G. Margulies, Esq.
Ian S. Landsberg, Esq.
LANDSBERG MARGULIES LLP
16030 Ventura Blvd., Ste. 470
Encino, CA 91436-2731
cmargulies@lm-lawyers.com
ilandsberg@lm-lawyers.com

Thomas Pampush, Esq.
Schottenstein, Zox & Dunn Co., LPA
250 West Street, Suite 700
Columbus, Ohio 43215
tpampush@szd.com
rouellette@szd.com

[MSHORD\520783.1]