

Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address CRAIG G. MARGULIES (SBN 185925) Craig@MarguliesFaithLaw.com SAMUEL M. BOYAMIAN (SBN 316877) Samuel@MarguliesFaithLaw.com MARGULIES FAITH, LLP 16030 Ventura Blvd., Suite 470 Encino, California 91436 Telephone: (818) 705-2777 Facsimile: (818) 705-3777 <input type="checkbox"/> Individual appearing without attorney <input checked="" type="checkbox"/> Attorney for: MaddieBrit Products, LLC	FOR COURT USE ONLY
---	--------------------

**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA - NORTHERN DIVISION**

In re: MADDIEBRIT PRODUCTS, LLC Debtor(s).	CASE NO.: 9:24-bk-10682-RC CHAPTER: 11 <p style="text-align: center;">NOTICE OF SALE OF ESTATE PROPERTY</p>
--	--

Sale Date: 01/24/2025	Time: 9:00 am
Location: Courtroom 5D, 411 West Fourth Street, Santa Ana, California 92701 (Zoom appearance permitted as well.)	

Type of Sale: Public Private **Last date to file objections:** Can be made orally at the hearing.

Description of property to be sold: See Section 2.1(a) through 2.1(p) of the Asset Purchase Agreement, a copy of which is attached hereto as Exhibit 1.

Terms and conditions of sale: Subject to overbids.

Proposed sale price: \$ 3,307,149.00

This form is mandatory. It has been approved for use in the United States Bankruptcy Court for the Central District of California.

Overbid procedure (if any): See the attached "Overbid Procedures."

If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:

Date: January 24, 2025

Time: 9:00 a.m.

Place: United States Bankruptcy Court

Courtroom 5D

411 West Fourth Street

Santa Ana, California 92701

Contact person for potential bidders (include name, address, telephone, fax and/or email address):

Craig G. Margulies, Esq. or Samuel M. Boyamian, Esq.

MARGULIES FAITH, LLP

16030 Ventura Blvd., Suite 470

Encino, CA 91436

Telephone: (818) 705-2777

Facsimile: (818) 705-3777

E-mail: Craig@MarguliesFaithLaw.com

Email: Samuel@MarguliesFaithLaw.com

Date: 01/20/2025

OVERBID PROCEDURES

While MaddieBrit Products, LLC, the debtor and debtor-in-possession in the above-captioned bankruptcy proceeding (the “Debtor”), is prepared to consummate the sale with Grove Collaborative, Inc., the stalking horse bidder (the “Buyer” or “Grove”), it is also interested in obtaining the maximum price for the Asset Sale as reflect in the Asset Purchase Agreement (“APA”), a true and correct copy of which is attached hereto as **Exhibit 1**. Therefore, the sale is subject to overbid and Debtor seeks approval of the bidding procedures set forth herein, which are as follows:

	<u>Assets</u>	<u>Purchase Price</u>	<u>Payment</u>
Stalking Horse Bid by Grove per APA:	Transferred Assets (as defined by Art. II, Sec. 2.1 of the APA attached as Exhibit 1)	(a) payment of the Initial Deposit Amount by Grove to the IOLTA maintained by Debtor’s counsel no later than three (3) business days following the Execution Date; (b) payment by Grove to the Debtor at the closing of the Asset Sale of an aggregate amount equal to: (i) \$2,856,254.00); <u>minus</u> (ii) the B/P A/P Contribution Amount”); <u>plus</u> (iii) the Montminy Fee Amount; <u>plus</u> (iv) the Estate Administrative Expense Amount; <u>plus</u> (v) the Operational Administrative Expense Amount; <u>plus</u> (vi) the Unsecured	At Closing

	<p>Creditor Payment Amount; <u>minus</u></p> <p>(vii) the Initial Deposit Amount; <u>minus</u></p> <p>(viii) the amount of Closing Cash and Cash Equivalents; <u>plus</u></p> <p>(ix) the Sales Tax Reserve; and</p> <p>(c) the assumption by Grove of the Assumed Liabilities from Debtor.</p>
Assumed Liabilities:	Buyer shall assume the Assumed Liabilities as set forth in Section 2.3 of the APA.
Timing	Closing Date shall occur on or before February 10, 2025.
Break-up Fee	<p>The Break-up Fee is equal to three percent (3%) of the sum of (i) the Initial Deposit Amount, plus (ii) the Cash Consideration, plus (iii) the amount of Cash and Cash Equivalents (the “Break-up Fee”). For Break-up Fee calculation purposes, these figures are based on the amounts set forth in the Sample Funds Flow Memorandum attached as Exhibit B to the APA, such that the amount of the Breakup Fee equals:</p> <p><u>\$99,214.47</u>; or $\\$3,307,149 \times 0.03$; or $(\\$250,000 + \\$1,818,637 + \\$1,238,512) \times 0.03$.</p>
Initial Deposit	\$350,000, provided by Wire Transfer so <u>received</u> by Debtor’s counsel 24 hours prior to the hearing on the Motion.

Minimum Initial Overbid:	\$350,000 (i.e., \$250,000 in aggregate consideration above Stalking Horse Bid, plus pays the Break-up Fee)
Minimum Subsequent Overbids:	\$25,000.00
Deadline for the Submission of Alternate Overbids:	48 hours prior to the Hearing on the Motion, which is scheduled for January 24, 2025 at 9:00 a.m.
Qualification of Bidders:	<p>Only qualified bidder (“Qualified Bidders”) that make a qualified bid (“Qualified Bid”) will be allowed to bid in the Asset Sale at the Auction. In order to become a Qualified Bidder, a bidder must meet all of the requirements set forth below:</p> <ol style="list-style-type: none"> 1) Deliver to the Debtor (by and through the Debtor’s counsel) financial information evidencing the potential bidder’s ability to close the transaction satisfactory to the Debtor in their sole discretion. 2) Deliver a Qualified Bid, which requires that the bid: <ol style="list-style-type: none"> i) be in writing and delivered by no later than 48 hours prior to the scheduled hearing; ii) be submitted by a Qualified Bidder; iii) provide that the cash component of the purchase price shall be paid in full in cash upon closing; iv) provide for a minimum cash component of purchase price of at least \$250,000.00 in aggregate consideration above the Stalking

	<p>Horse Bid;</p> <ul style="list-style-type: none">v) confirm the Qualified Bidder's completion of all due diligence required by such Qualified Bidder in connection with the proposed transaction;vi) must provide for a closing by the Closing Datevii) be irrevocable until the earlier of (a) the Qualified Bidder's bid being determined by the Debtor not to be a Qualified Bid, or (b) another Qualified Bidder's bid for substantially all of the Debtor's assets being approved by the Court;viii) be accompanied by a fully executed asset purchase agreement (the "Modified Purchase Agreement");ix) demonstrate the capacity to provide adequate assurance of future performance under all executory contracts and unexpired leases that are being assumed and assigned;x) contain no contingencies of any kind, including evidence that the Qualified Bidder has financial resources readily available sufficient to purchase the assets and requisite authorization; andxi) be accompanied by an affirmative statement from the Qualified Bidder that (a) it has and
--	---

	<p>will continue to comply with the Bidding Procedures; (b) its bid does not entitle such Alternate Bidder to any break-up fee, termination fee, expense reimbursement or similar type of payment or reimbursement; and (c) it waives any substantial contribution administrative expense claims under section 503(b) of the Bankruptcy Code related to bidding for the assets.</p>
Auction Date and Process:	<p>In the event that the Debtor receives more than one Qualified Bid, the Debtor will conduct the Auction for the assets.</p> <p>The Debtor will have the right to enact detailed procedures for the conduct of the Auction at any time prior to the start of the Auction. Any rules developed by the Debtor will provide that all bids in the Auction will be made and received in one room, on an open basis, and all other Qualified Bidders participating in the Auction will be entitled to be present for all bidding with the understanding that the true identity of each Qualified Bidder will be fully disclosed to all other Qualified Bidders participating in the Auction and that all material terms of each Qualified Bid submitted in response to the Baseline Bid (as defined below) or to any Subsequent Overbid (as defined below) made at the Auction will be fully disclosed to all other Qualified</p>

Bidders throughout the entire Auction. All bids shall be placed on the record, which shall either be transcribed, videotaped, or recorded on an audio recording device in accordance with the Court's normal procedures.

Parties entitled to attend the Auction shall include the Debtor, the Stalking Horse Bidder, the Qualified Bidders, any prepetition secured creditors (including BP), and each of those respective parties' representatives. The Stalking Horse Bidder and each Qualified Bidder shall appear at the Auction in person (or via zoomgov if ordered/permitted by the Court,) or through a representative who provides appropriate evidence of such person's authority. Only a Qualified Bidder that submitted a timely Qualified Bid and Stalking Horse Bidder shall be entitled to make bids at the Auction.

Prior to the Auction, the Debtor will share with all Qualified Bidders the highest and best Qualified Bid received at the Bid Deadline (the "Baseline Bid"). Qualified Bidders will be permitted to revise, increase, and/or enhance their bid based upon the terms of the Baseline Bid at the Auction. All Qualified Bidders will have the right to make additional modifications to the Modified APA or the APA, as the case may be, at the Auction.

The Auction will be conducted in rounds and in any order the Debtor determines, subject to Court approval. At the end of every round, the highest and best bid or bids at that time for the Assets will be announced. Each Qualified Bidder shall have the right to continue to improve its respective bid at the Auction. The cash component of the initial minimum overbid shall be \$350,000¹ (i.e., the Break-up Fee of \$99,214.47, plus \$250,000 above the Stalking Horse Bid) (the “Initial Overbid”) and shall also include the same assumption or payment of liabilities as the Stalking Horse bid. Thereafter, a Qualified Bidder may increase its Qualified Bid in any manner that it deems fit; provided, however, that each subsequent bid above the Initial Overbid (each, a “Subsequent Overbid”) must have a purchase price that exceeds the purchase price of the previous highest bid by at least \$25,000.00 of additional consideration.

The Initial Overbid and Subsequent Overbids must continue to meet each of the criteria of a Qualified Bid (other than the requirement that such bids be submitted by the Bid Deadline). The Debtor reserves the right to approach any Qualified Bidder and seek clarification to bids at any time.

¹ This figure is rounded to \$350,000 for ease from the actual \$349,214.47.

	<p>The Auction will continue until the Debtor determines, subject to Court approval, that they have received the highest and best offer for Assets (the “Successful Bid”) and the next highest and best Qualified Bid for the Assets at the Auction (the “Reserve Bid”). The Qualified Bidder submitting the Successful Bid shall become the “Successful Bidder” and the Qualified Bidder submitting the Reserve Bid shall be the “Backup Bidder.”</p> <p>The Debtor may amend any non-material terms of these Bidding Procedures, in their reasonable business judgment, at any time in any manner that will best promote the goals of the bidding process, including but not limited to extending or modifying any of the dates described herein.</p>
Treatment of Deposits	<p>The deposits of the Successful Bidder shall be applied to the Successful Bidder’s obligations under the Successful Bid upon closing of the transactions contemplated thereby. If a Successful Bidder fails to close the transactions contemplated by the Successful Bidder then such Successful Bidder shall forfeit its deposit.</p> <p>The deposit of the Reserve Bidder shall be returned to the Reserve Bidder upon the later of (i) the closing of the transaction to the Successful Bidder and</p>

(ii) thirty days after the Sale Hearing; provided, however, that if a Successful Bidder fails to close the transactions when and as provided in the Successful Bid, then the deposit of the Reserve Bidder shall be applied to the Reserve Bidder's obligations under the Reserve Bid upon closing of the transactions contemplated thereby. If a Reserve Bidder fails to close the transactions contemplated by a Reserve Bid, then such Reserve Bidder shall forfeit its deposit.

All other deposits of Qualified Bidders who are not the Successful Bidder or the Reserve Bidder shall be returned within three business days after the conclusion of the Auction. The Debtor reserve all of their rights regarding any return of deposits, and the failure by the Debtor to timely return any deposits shall not serve as a claim for breach of any Qualified Bids or create any default in favor of any Qualified Bidders.

(1) Grove provides the stalking-horse bid as provided in the APA (Section 2.6); (2) any person interested in submitting an overbid on the Assets must attend the January 24, 2025 hearing on the Motion or be represented by an individual with authority to participate in the overbid process; (3) an overbid will be defined as \$350,000 - that is, an initial overbid of \$250,000 above the Purchase Price, plus pays the 3% Break-up Fee (with each additional bid in \$25,000.00 increments; (4) overbidders (except for the Stalking Horse Bidder) must deliver at least 24 hours prior to the date and time of the hearing on the Motion, the Initial Deposit (i.e., \$350,000) by wire transfer so **received** by the Debtor's counsel, and provide to the Debtor's counsel information sufficient to demonstrate to the reasonable satisfaction of the Debtor that the proposed overbidder has the financial ability to complete the sale;

(5) overbidders must purchase the assets on the same or better terms and conditions as the Stalking Horse Bidder (as determine solely by the Debtor in the Debtor's business judgment); (6) the Initial Deposit of the successful overbidder shall be forfeited if such party is thereafter unable to complete the Asset Sale within 7 days of entry of the order confirming the sale, but in any event by February 10, 2025; (7) in the event the successful overbidder cannot timely complete the Asset Sale, the Debtor shall be authorized to proceed with the sale to the next highest overbidder; and, in the event that the Stalking Horse Bidder is not the successful bidder of the Asset Sale, it will be entitled to a break-up fee equal to 3% of the sum of (i) the Initial Deposit Amount, plus (ii) the Cash Consideration, plus (iii) the amount of Cash and Cash Equivalents of the Debtor (calculated as of Closing Date as set forth in the APA) at closing.

**ZOOM INFORMATION FOR THE JANUARY 24, 2025 HEARING ON THE DEBTOR'S MOTION
FOR THE SALE OF ESTATE PROPERTY IN RE: *MADDIEBRIT PRODUCTS, LLC*, CASE NO.**

9:24-bk -10682-RC

Video/Audio Connection Details:

<https://cacb.zoomgov.com/j/1608397265>

Meeting ID: 160 839 7265

Password: 563994

Telephone Connection Details:

Dial: US: +1 669 254 5252 or +1 669 216 1590 or +1 415 449 4000 or +1 646 828 7666 or +1 646
964 1167 or +1 551 285 1373 or 833 568 8864 (Toll Free)

Meeting ID: 160 839 7265

Password: 563994

EXHIBIT 1

ASSET PURCHASE AGREEMENT

by and between

MADDIEBRIT PRODUCTS, LLC,

as Seller,

and

GROVE COLLABORATIVE, INC.,

as Buyer,

Dated as of January 14, 2025

TABLE OF CONTENTS

	<u>Page</u>
Article I	
DEFINITIONS	
Section 1.1	Defined Terms1
Article II	
PURCHASE AND SALE	
Section 2.1	Purchase and Sale of Transferred Assets14
Section 2.2	Excluded Assets16
Section 2.3	Assumed Liabilities17
Section 2.4	Excluded Liabilities17
Section 2.5	Assignment of Transferred Contracts18
Section 2.6	Consideration20
Section 2.7	Inventory Count; Calculation of Transferred A/R, Assumed A/P, Assumed Purchase Orders and Cash and Cash Equivalents21
Section 2.8	Closing22
Section 2.9	Purchase Price Allocation23
Section 2.10	Withholding24
Section 2.11	Post-Closing Expense Reductions24
Article III	
REPRESENTATIONS AND WARRANTIES OF SELLER	
Section 3.1	Organization25
Section 3.2	Authority25
Section 3.3	No Conflict; Required Filings and Consents25
Section 3.4	Transferred Assets26
Section 3.5	Absence of Certain Changes or Events26
Section 3.6	Compliance with Law; Permits26
Section 3.7	Litigation27
Section 3.8	Labor and Employment Matters27
Section 3.9	Real Property28
Section 3.10	Intellectual Property28
Section 3.11	Tax Matters29
Section 3.12	Environmental Matters29
Section 3.13	Material Contracts30
Section 3.14	Financial Statements30
Section 3.15	Accounts Receivable31
Section 3.16	Inventory31

Section 3.17 Products.....31
 Section 3.18 Data Privacy.....32
 Section 3.19 Certain Payments32
 Section 3.20 Financial Advisors32

Article IV

REPRESENTATIONS AND WARRANTIES OF BUYER

Section 4.1 Organization.....32
 Section 4.2 Authority33
 Section 4.3 No Conflict; Required Filings and Consents33
 Section 4.4 Absence of Litigation.....33
 Section 4.5 Qualification34
 Section 4.6 Brokers.....34
 Section 4.7 Sufficient Funds34

Article V

BANKRUPTCY COURT MATTERS

Section 5.1 Debtor-in-Possession34
 Section 5.2 Bidding Procedures and Sale Order.....34
 Section 5.3 Cooperation with Respect to Bankruptcy Court Approvals34
 Section 5.4 Bankruptcy Court Filings.....35

Article VI

COVENANTS

Section 6.1 Conduct of Business Prior to the Closing.....35
 Section 6.2 Covenants Regarding Information.....37
 Section 6.3 Confidentiality38
 Section 6.4 Further Assurances.....38
 Section 6.5 Refunds and Remittances; Wrong Pockets38
 Section 6.6 Public Announcements and Communications39
 Section 6.7 Collection of Accounts Receivable; Seller Bank Accounts.....39
 Section 6.8 Transition of Permits.....40
 Section 6.9 No-Shop41
 Section 6.10 Seller Marks; Name Change41
 Section 6.11 Notice of Developments41
 Section 6.12 Customer and Vendor Relations42
 Section 6.13 Transition Services.....42
 Section 6.14 Post-Closing Actions43

Article VII

TAX MATTERS

Section 7.1	Transfer Taxes	44
Section 7.2	Tax Cooperation.....	44
Section 7.3	Straddle Period Allocation.....	44

Article VIII

CONDITIONS TO CLOSING

Section 8.1	General Conditions	45
Section 8.2	Conditions to Obligations of Seller	45
Section 8.3	Conditions to Obligations of Buyer	45
Section 8.4	No Frustration of Closing Conditions.....	46

Article IX

TERMINATION

Section 9.1	Termination.....	47
Section 9.2	Effect of Termination.....	49
Section 9.3	Break-up Fee.....	50

Article X

GENERAL PROVISIONS

Section 10.1	Nonsurvival of Representations, Warranties and Covenants.....	50
Section 10.2	Bulk Sales	51
Section 10.3	Fees and Expenses	51
Section 10.4	Amendment and Modification	51
Section 10.5	Waiver.....	51
Section 10.6	Notices	51
Section 10.7	Interpretation.....	52
Section 10.8	Entire Agreement.....	52
Section 10.9	Parties in Interest.....	52
Section 10.10	Governing Law	53
Section 10.11	Submission to Jurisdiction	53
Section 10.12	Personal Liability.....	53
Section 10.13	Assignment; Successors.....	53
Section 10.14	Specific Performance	54
Section 10.15	Currency.....	54
Section 10.16	Severability	54
Section 10.17	Waiver of Jury Trial.....	54
Section 10.18	Counterparts.....	55

Section 10.19 Jointly Drafted55
Section 10.20 Limitation on Damages.....55
Section 10.21 No Recourse.....55
Section 10.22 Time of Essence.....56

INDEX OF EXHIBITS

EXHIBIT A	FORM OF SALE ORDER
EXHIBIT B	SAMPLE FUNDS FLOW MEMORANDUM

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “Agreement”), dated as of January 14, 2025 (the “Execution Date”), is by and between (i) MaddieBrit Products, LLC, a California limited liability company (“Seller”), and (ii) Grove Collaborative, Inc., a Delaware corporation (“Buyer”). Capitalized terms used and not otherwise defined herein have the definitions set forth in Article I below.

RECITALS

- A. Seller is engaged in the Business;
- B. On June 18, 2024 (the “Petition Date”), Seller voluntarily commenced a case under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Central District of California (the “Bankruptcy Court”), administrated under Case No. 9:24-bk-10682 (the “Bankruptcy Case”);
- C. Subject to the terms and conditions set forth in this Agreement and the entry of the Sale Order, (i) Seller desires to sell to Buyer all of the Transferred Assets and to assign to Buyer all of the Assumed Liabilities, (ii) Buyer desires to purchase from Seller all of the Transferred Assets and assume all of the Assumed Liabilities, and (iii) the Parties intend to effectuate the transactions contemplated by this Agreement, upon the terms and conditions hereinafter set forth;
- D. Seller intends this Agreement to serve as the Stalking Horse Agreement, and for Buyer to be designated as Stalking Horse Bidder (as defined in the Sale Motion);
- E. The Transferred Assets and Assumed Liabilities shall be purchased and assumed by Buyer pursuant to the Sale Order, free and clear of all Encumbrances (other than Permitted Encumbrances), pursuant to, inter alia, Sections 105, 363 and 365 of the Bankruptcy Code, Rules 6004 and 6006 of the Federal Rules of Bankruptcy Procedure and the local rules for the Bankruptcy Court, all on the terms and subject to the conditions set forth in this Agreement and subject to entry of the Sale Order; and
- F. The Closing and Seller’s ability to consummate the transactions set forth in this Agreement are subject to both, among other things, (i) the entry of the Sale Order, as a Final Order and (ii) the entry of the BP Settlement Agreement Order, as a Final Order, as further set forth herein. The Parties desire to consummate the proposed transaction as promptly as practicable after the Bankruptcy Court enters both the Sale Order and the BP Settlement Agreement Order.

AGREEMENT

In consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, the Parties agree as follows:

ARTICLE I DEFINITIONS

Section 1.1 Defined Terms. For purposes of this Agreement:

“Acquisition Proposal” means any inquiry, proposal or offer from any Person (other than Buyer or any of its Affiliates) concerning a transaction or series of related transactions regarding (a) a merger, consolidation, recapitalization, equity exchange or other business combination transaction involving Seller; (b) the issuance or acquisition of equity securities of Seller; or (c) the sale, lease, exchange or other disposition of the Transferred Assets or any other assets related to the Business.

“Action” means any action, complaint, claim, suit, demand, charge, litigation, arbitration, proceeding (including any civil, criminal, administrative, or appellate proceeding), hearing, inquiry, investigation, notice of violation, citation, summons, subpoena or audit of any nature brought, made, issued, conducted or heard by or before any Governmental Authority, other than an Avoidance Action.

“Advisors” means, with respect to any Person, the accountants, attorneys, consultants, advisors, investment bankers, or other Representatives of such Person.

“Affiliate” means, with respect to any Person, another Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such first Person, where “control,” “controlled by” and “under common control with,” means (a) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, as trustee or executor, as general partner or managing member, by contract or otherwise or (b) the possession, directly or indirectly through one or more intermediaries, of (i) in the case of a corporation, more than ten percent (10%) of the outstanding voting securities thereof, (ii) in the case of a limited liability company, partnership, limited partnership or venture, the right to more than ten percent (10%) of the distributions therefrom (including liquidating distributions) or (iii) in the case of any other Person, more than ten percent (10%) of the economic or beneficial interest therein.

“Agreement” has the meaning set forth in the Preamble.

“Allocation” has the meaning set forth in Section 2.9.

“Alternative Transaction” means (a) the sale, transfer or other disposition, directly or indirectly, including through an asset sale, equity sale, merger, amalgamation, or other similar transaction, including a plan of reorganization approved by the Bankruptcy Court, of any of the Transferred Assets (other than sales in the Ordinary Course), in a transaction or series of transactions with one or more Persons other than Buyer, or (b) any other transaction that would interfere with the transactions contemplated hereby. Notwithstanding any of the foregoing language in the definition of “Alternative Transaction”, if Seller proceeds with the reorganization option described under the pending Plan of Reorganization (Dkt. no. 120 in the Bankruptcy Case, or an amended plan thereto seeking a similar reorganization) because the Bankruptcy Court does not enter both the Sale Order and BP Settlement Agreement Order (through no willful, bad faith action or willful, bad faith failure to act by Seller – which act or inaction does not include the Seller’s failure to file any appeal of an entered order denying the Sale Order and/or BP Settlement Agreement Order), then such reorganization does not constitute an “Alternative Transaction”.

“Ancillary Agreements” means, collectively, the agreements to be executed in connection with the transactions contemplated by this Agreement, including the Assignment and Assumption Agreement, the IP Assignment Agreement, and the Consulting Agreements.

“Annual Financial Statements” has the meaning set forth in Section 3.14(a).

“Assignment and Assumption Agreement” has the meaning set forth in Section 2.8(b)(i).

“Assumed A/P” means the trade and vendor accounts payable of Seller set forth in Section 2.3(d)(i) of the Disclosure Schedule.

“Assumed Liabilities” has the meaning set forth in Section 2.3.

“Assumed Purchase Orders” means the outstanding purchase orders of Seller set forth in Section 2.3(d)(ii) of the Disclosure Schedule.

“Avoidance Actions” has the meaning set forth in Section 2.1(j).

“Bankruptcy Code” has the meaning set forth in the Recitals.

“Bankruptcy Court” has the meaning set forth in the Recitals.

“Bankruptcy Case” has the meaning set forth in the Recitals.

“Bidding Procedures” means the bidding procedures approved in connection with the Sale Motion.

“Bidding Procedures Order” means the order of the Bankruptcy Court, in form and substance acceptable to Buyer, approving the Bidding Procedures. As provided herein, the Seller is including the proposed bidding procedures in connection with the Sale Motion.

“BP” means, collectively, Bright Plastics, LLC and BrightFlow.ai, Inc.

“BP A/P Contribution Amount” means \$95,000.00, the amount BP is contributing towards the Assumed A/P Amount as agreed with Buyer.

“BP Settlement Agreement” means the written settlement agreement to be entered into by and between the Seller and BP on or about the Execution Date and as a condition precedent to Seller’s filing of the Sale Motion that fully and finally (subject to entry of the BP Settlement Agreement Order) resolves BP’s asserted secured claim in the Bankruptcy Case against the Seller and its Transferred Assets, and is in a form acceptable to the Parties and BP.

“BP Settlement Agreement Order” means an Order of the Bankruptcy Court approving the BP Settlement Agreement Order and the transactions contemplated therein.

“BP Settlement Amount” means the dollar amount that BP is to receive under the BP Settlement Agreement, which is \$2,761,254 (i.e., \$2,856,254 less the BP A/P Contribution Amount, as agreed by and between BP and Buyer).

“Break-up Fee” has the meaning set forth in Section 9.3(a).

“Business” means the business of creating, developing, marketing, distributing and selling laundry care products, baby care products, home care products, dish and kitchenware cleaning products, air fresheners, home cleaning products and other consumer products.

“Business Day” means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by Law to be closed in the State of California.

“Buyer Non-Recourse Person” has the meaning set forth in Section 10.21(a).

“Calculation Statement” has the meaning set forth in Section 2.7(b).

“Cash and Cash Equivalents” means all of Seller’s cash (including petty cash and checks received on the Closing Date), checking account balances, marketable securities, certificates of deposit, time deposits, bankers’ acceptances, commercial paper, security entitlements, securities accounts, commodity Contracts, commodity accounts, government securities and any other cash equivalents, whether on hand, in transit, in banks or other financial institutions, or otherwise held.

“Cash Consideration” has the meaning set forth in Section 2.6(b).

“Chapter 11” means chapter 11 of the Bankruptcy Code.

“Closing” has the meaning set forth in Section 2.8(a).

“Closing Cash and Cash Equivalents” means the amount of Cash and Cash Equivalents as of the Closing, as finally determined pursuant to Section 2.7 and set forth in the Final Calculation Statement.

“Closing Date” has the meaning set forth in Section 2.8(a).

“COBRA” means sections 601 through 608 of ERISA and section 4980B of the Code.

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

“Confidential Information” means all confidential and non-public information of Seller that relates to the Business, the Transferred Assets or the Assumed Liabilities, including, without limitation, all trade secrets and all proprietary software code, production and other processes, data, compositions, product specifications, formulas, recipes, designs, sketches, photographs, graphs, drawings, samples, technical know-how, inventions and ideas, past, current and planned research and development, ingredient lists, vendor lists, employee lists, employee data, subcontractor and/or consultant lists, customer lists, price lists, financial statements and other financial data, projections, budgets, market studies, business and marketing plans and all other information that is marked or otherwise identified as confidential or proprietary, or that would otherwise appear to a reasonable person to be confidential or proprietary.

“Confidentiality Agreement” means the Confidentiality Agreement, dated as of July 15, 2024, entered into between Grove Collaborative, Inc. (“Grove”) and Montminy & Co. LLC (on

behalf of Seller) with respect to the transactions contemplated hereby. Notwithstanding the limitations under the Confidentiality Agreement, Grove has previously authorized the release and disclosure of its name by Seller in connection with the Sale, including to BP's agents, representatives and counsel.

"Consulting Agreements" has the meaning set forth in Section 2.8(b)(iii).

"Contract" means any contract, agreement, insurance policy, lease, license, sublicense, sales order, purchase order, deed, mortgage, note, instrument, or other commitment or arrangement, whether written or verbal, that is binding on any Person or any part of its assets or properties under applicable Law, including any "Terms of Use" or similar terms with any customer.

"Contract Counterparty" has the meaning set forth in Section 2.5(b).

"Contract Notice" has the meaning set forth in Section 2.5(b).

"Contract Objection" has the meaning set forth in Section 2.5(b).

"Contract Objection Deadline" has the meaning set forth in Section 2.5(b).

"Controlled Group Liability" means any and all Liabilities of Seller and its ERISA Affiliates (a) under Title IV of ERISA, (b) under Section 302 of ERISA, (c) under Sections 412 or 4971 of the Code, (d) as a result of a failure to comply with the continuation coverage requirements of Section 601 et seq. of ERISA and Section 4980B of the Code and (e) under corresponding or similar provisions of foreign Laws.

"Cure Claims" means amounts that must be paid and obligations that otherwise must be satisfied, pursuant to Sections 365(b)(1)(A) and (B) of the Bankruptcy Code, in connection with the assumption and assignment of the Transferred Contracts to be assumed and assigned to Buyer.

"Data Laws" has the meaning set forth in Section 3.18.

"Designated A/R Account" has the meaning set forth in Section 6.7(b).

"Designated Parties" has the meaning set forth in Section 2.1(j).

"Designation Deadline" has the meaning set forth in Section 2.5(e).

"Disclosure Schedule" means the disclosure schedule being delivered by Seller to Buyer contemporaneously with the execution of this Agreement. Notwithstanding anything to the contrary contained in the Disclosure Schedule or in this Agreement, (a) the information and disclosures contained in any section of the Disclosure Schedule shall be deemed to be disclosed and incorporated by reference in any other section of the Disclosure Schedule as though fully set forth in such other section for which the applicability of such information and disclosure is readily apparent on the face of such information or disclosure, (b) the Disclosure Schedule is qualified in its entirety by reference to this Agreement and is not intended to constitute, and shall not be construed as constituting, representations and warranties by any Party except to the extent

expressly set forth herein, (c) except to the extent set forth in this Agreement, the inclusion of any item in the Disclosure Schedule shall be deemed neither an admission that such item is material to the business, financial condition or results of operations of Seller or the Business, nor an admission of any liability to any third party and (d) headings are inserted in the Disclosure Schedule for convenience of reference only and shall not have the effect of amending or changing the express description of the sections as set forth in this Agreement.

“Employee Benefit Plans” means each (a) “employee benefit plan” within the meaning of Section 3(3) of ERISA, whether or not subject to ERISA, (b) other benefit and compensation plan, contract, policy, program, practice, arrangement or agreement, including pension, profit-sharing, savings, termination, executive compensation, phantom stock, change-in-control, retention, salary continuation, vacation, sick leave, disability, death benefit, insurance, hospitalization, medical, dental, life (including all individual life insurance policies as to which Seller is an owner, a beneficiary or both), employee loan, educational assistance, fringe benefit, deferred compensation, retirement or post-retirement, severance, equity or equity-based compensation, incentive and bonus plan, contract, policy, program, practice, arrangement or agreement and (c) other employment, consulting or other individual agreement or arrangement, in each case, (i) that is sponsored or maintained or contributed, or required to be contributed, to by Seller or any of its ERISA Affiliates in respect of any current or former employees, directors, independent contractors, consultants or leased employees of Seller, including any dependents or beneficiaries thereof or (ii) with respect to which Seller or any of its ERISA Affiliates has any actual or contingent Liability.

“Employees” means all of the employees of Seller on the Execution Date, as well as any additional persons who become employees of Seller during the period from the Execution Date through and including the Closing Date.

“Encumbrance” means any charge, claim (including any “claim” as defined in the Bankruptcy Code), lease, sublease, mortgage, deed of trust, lien (including any “lien” as defined in the Bankruptcy Code), license, encumbrance, option, pledge, hypothecation, security interest or similar interest, preemptive right, right of first refusal, right of first offer, right of use or possession, restriction, easement, servitude, restrictive covenant, encroachment, conditional sale or title retention agreements or other similar restriction or encumbrance, whether imposed by Law, Contract, equity or otherwise.

“Enforceability Exceptions” has the meaning set forth in Section 3.2.

“Environmental Claim” means any Action, cause of action, claim, suit, proceeding, investigation, Order, demand or notice by any Person alleging Liability (including Liability for investigatory costs, governmental response costs, remediation or clean-up costs, natural resources damages, property damages, personal injuries, attorneys’ fees, fines or penalties) arising out of, based on, resulting from or relating to (a) the presence, Release or threatened Release of, or exposure to any Hazardous Materials; (b) circumstances forming the basis of any violation, or alleged violation, of any Environmental Law; or (c) any other matters for which liability is imposed under Environmental Laws, including common law.

“Environmental Law” means any Law relating to pollution, the protection of, restoration or remediation of the environment or natural resources, or the protection of human health and safety (regarding exposure to Hazardous Materials), including, but in not way limited to, Laws relating to: (a) the exposure to, or Releases or threatened Releases of, Hazardous Materials; (b) the generation, manufacture, processing, distribution, use, transport, treatment, containment, storage, disposal, or handling of Hazardous Materials; or (c) recordkeeping, notification, disclosure and reporting requirements respecting Hazardous Materials.

“Environmental Permit” means any Permit required under or issued pursuant to any Environmental Law.

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

“ERISA Affiliate” means any entity which is a member of (a) a controlled group of corporations (as defined in Section 414(b) of the Code), (b) a group of trades or businesses under common control (as defined in Section 414(c) of the Code), (c) an affiliated service group (as defined under Section 414(m) of the Code) or (d) any group specified in Treasury Regulations promulgated under Section 414(o) of the Code, any of which includes or included Seller.

“Estate Administrative Expense Amount” means \$258,000.00, which amount does not include any adequate protection payments to BP. For the avoidance of doubt, the Estate Administrative Expense Amount does not include the December Adequate Protection payment to BP, which was already timely paid by Seller and for which Buyer shall have no liability.

“Excluded Assets” has the meaning set forth in Section 2.2.

“Excluded Liabilities” has the meaning set forth in Section 2.4.

“Excluded Taxes” means any Liabilities (a) for Taxes of Seller with respect to any taxable period, (b) for Taxes relating to the operation of the Business or ownership of the Transferred Assets for any Pre-Closing Tax Period (as determined in accordance with Section 7.3), (c) for any Taxes (including any Transfer Taxes for which Seller is responsible pursuant to Section 7.1) arising in connection with the transactions contemplated under this agreement (including as a result of the sale of the Transferred Assets or the assumption of the Assumed Liabilities), (d) for deferred Taxes of any nature, (e) for unpaid Taxes of another Person as a transferee, or successor, by Contract or otherwise, and (f) for Taxes attributable to any violation of or liability under any applicable bulk sales law in connection with the transfer of the Transferred Assets. For clarity, Excluded Taxes does not modify the definition of the Sales Tax Reserve. The Parties agree that Buyer is not assuming any liability in respect of pre-Closing sales taxes.

“Execution Date” has the meaning set forth in the Preamble.

“Expense Reduction” has the meaning set forth in Section 2.11.

“Final Calculation Statement” has the meaning set forth in Section 2.7(c).

“Final Order” means an order for which (a) the deadline to file a timely appeal of said order under Fed.R.Bankr.P. 8002 has passed, and no such timely appeal has been filed; or (b) if a timely appeal is filed, then all timely filed appeals have been dismissed with prejudice (and/or have been dismissed as moot), or such order has been affirmed on appeal and is not subject to further timely appellate review, whether by appeal, petition for rehearing, or petition for certiorari.

“Financial Statements” has the meaning set forth in Section 3.14(a).

“Foreign Competition Laws” has the meaning set forth in Section 3.3(a).

“Fundamental Representations” means the representations and warranties set forth in Section 3.1 (Organization), Section 3.2 (Authority), Section 3.3 (No Conflicts; Required Filings and Consents), Section 3.4 (Transferred Assets), Section 3.10 (Intellectual Property) and Section 3.20 (Financial Advisors).

“GAAP” means United States generally accepted accounting principles as in effect from time to time.

“Governmental Authority” means any United States or non-United States national, federal, state or local governmental, regulatory or administrative authority, agency, court, tribunal or commission or any other judicial or arbitral body, including the Bankruptcy Court.

“Hazardous Materials” means any material, substance, chemical, or waste (or combination thereof) that (a) is listed, defined, designated, regulated or classified as hazardous, toxic, radioactive, dangerous, a pollutant, a contaminant, petroleum, oil, or words of similar meaning or effect under any Law relating to pollution, hazardous or toxic waste, or protection of the environment; or (b) forms the basis of any Liability under any Law relating to pollution, hazardous or toxic waste, or protection of the environment.

“Information Technology” means any and all equipment, interconnected system or subsystem of equipment, component or device that is used in the acquisition, storage, manipulation, management, movement, processing, control, display, switching, interchange, transmission, or reception of data or information, or interface therewith, and any computer software, firmware, circuitry, logic, algorithms, source code, object code, other code variants, libraries and related data, documentation, databases, database rights, manuals, user guides, specifications, training materials and any websites. For the avoidance of doubt, Information Technology includes computers, computer equipment and systems, including laptops and desktops, computer software and applications, computer hardware, monitors, screens, servers, peripherals, workstations, firewall devices, wireless access points, memory, routers, hubs, switches, computer networks, data centers, web sites, data communications networks and lines, phone equipment and systems, email equipment and systems, printer equipment and systems, backup and disaster recovery equipment and systems, together with any computer hardware or software associated with any of the above.

“Initial Deposit Amount” has the meaning set forth in Section 2.6(a).

“Intellectual Property” means all intellectual property rights throughout the world, including all U.S. and foreign rights in (a) trade names, trademarks and service marks, business

names, corporate names, domain names, trade dress, logos, slogans, design rights, and other similar designations of source or origin, together with the goodwill symbolized by any of the foregoing (“Trademarks”); (b) patents, patent applications, invention disclosures, and all related continuations, continuations-in-part, divisionals, reissues, re-examinations, substitutions, and extensions thereof (“Patents”); (c) copyrights and copyrightable subject matter (whether registered or unregistered), works of authorship and moral rights (“Copyrights”); (d) computer programs (whether in source code, object code, or other form), firmware, software, models, algorithms, methodologies, databases, compilations, data, all technology supporting the foregoing, and all documentation, including user manuals and training materials, programmers’ annotations, notes, and other work product used to design, plan, organize, maintain, support or develop, or related to any of the foregoing; (e) confidential or proprietary information, trade secrets and know-how, and all other inventions, proprietary processes, formulae, models, and methodologies; (f) rights of publicity, privacy rights, and rights to Personal Data; (g) all applications and registrations for any of the foregoing; and (h) all rights and remedies (including the right to sue for and recover damages) against past, present, and future infringement, misappropriation, or other violation relating to any of the foregoing.

“Interim Financial Statements” has the meaning set forth in Section 3.14(a).

“Inventory” means all raw materials, works-in-progress, finished goods, byproducts, supplies, packaging, parts, ingredients and other materials and inventories held by Seller.

“Inventory Count” has the meaning set forth in Section 2.7(a).

“IP Assignment Agreement” means the Intellectual Property rights assignment agreement, in form and substance reasonably satisfactory to the Parties.

“IRS” means the Internal Revenue Service of the United States.

“Knowledge” with respect to Seller means the knowledge of Patricia Spencer and Michael Edell. For purposes of this Agreement, an individual shall be deemed to have knowledge of a particular fact or other matter if (a) such individual is actually aware of such fact or other matter or (b) a prudent individual could be expected to discover or otherwise become aware of such fact or other matter after reasonable investigation.

“Law” means any and all federal, state, local and foreign laws, statutes, ordinances, codes, common law, rules, regulations, policies, orders, judgments and decrees, in each case, enacted, adopted or promulgated by a Governmental Authority.

“Leased Real Property” has the meaning set forth in Section 3.9.

“Legal Restraint” has the meaning set forth in Section 8.1(a).

“Liability” means any debt, loss, Tax, claim, damage, demand, fine, judgment, penalty, liability (including any liability that results from, arises out of, or relates to any tort or product liability claim), commitment, undertaking, expense, cost, royalty, deficiency, fee, charge or obligation (in each case, of any nature, whether known or unknown, disclosed or undisclosed, express or implied, primary or secondary, mature or unmatured, asserted or unasserted, absolute

or contingent, accrued or unaccrued, liquidated or unliquidated, or due or to become due, and whether in contract, tort or otherwise, and without regard to when sustained, incurred or asserted or when the relevant events occurred or circumstances existed).

“Material Adverse Effect” means any event, change, condition, occurrence or effect that individually or in the aggregate (a) has had, or would reasonably be expected to have, a material adverse effect on the Business or the Transferred Assets or the condition (financial or otherwise), assets, Liabilities, prospects or operations of the Business or the Transferred Assets, taken as a whole, or (b) prevents or materially impedes, or would reasonably be expected to prevent or materially impede, the performance by Seller of its obligations under this Agreement, other than, in each case of the preceding clause (a), any event, change, condition, occurrence or effect to the extent arising out of, attributable to or resulting from, alone or in combination, the announcement or pendency of the Bankruptcy Case (and any limitations therein pursuant to the Bankruptcy Code, any Order of the Bankruptcy Court, or any objections in the Bankruptcy Court to (i) this Agreement or any of the transactions contemplated hereby, (ii) the reorganization or liquidation of Seller and any related plan of reorganization or disclosure statement or (iii) the assumption of any Transferred Contract.

“Montminy Fee Amount” means \$125,000.00.

“Omitted Services” has the meaning set forth in Section 6.13(a).

“Operational Administrative Expense Amount” means \$129,495, plus any other amounts agreed to be included as Operational Administrative Expenses pursuant to the terms of this Agreement.

“Operational Administrative Expenses” means certain fees, costs and expenses incurred by Seller in the operation and post-closing administrative wind-down of the bankrupt estate pursuant to the Bankruptcy Code, as set forth in Section 2.3(b) of the Disclosure Schedule. For purposes of clarity, Operational Administrative Expenses shall include only the fees, costs and expenses incurred in respect of the line items expressly listed in Section 2.3(b) of the Disclosure Schedule (the amounts of which may increase or decrease following the date hereof), and not in respect of any other items for which fees, costs or expenses may be incurred in the wind-down of the bankrupt estate following the date hereof; provided that, following the Execution Date, upon written request by Seller, Buyer may, in its sole discretion, consent to include additional items as Operational Administrative Expenses, in which case the Parties shall amend Section 2.3(b) of the Disclosure Schedule to reflect such additions and the Operational Administrative Expense Amount shall be accordingly adjusted.

“Order” means any award, writ, injunction, judgment, order, stipulation, determination or decree entered, issued, made, or rendered by any Governmental Authority.

“Ordinary Course of Business” means the operation of the Business in the ordinary and usual course consistent with past practice and custom of Seller (including with respect to quantity, frequency and magnitude) prior to the Petition Date.

“Organizational Documents” means (i) with respect to any corporation, its certificate or articles of incorporation, its bylaws, and any shareholder or stockholder agreement, (ii) with

respect to any limited partnership, its certificate of limited partnership and its partnership agreement, (iii) with respect to any general partnership, any statement of partnership and its partnership agreement, (iv) with respect to any limited liability company, its certificate of formation or articles of organization and its operating agreement, company agreement or limited liability company agreement, (v) with respect to any other form of entity, any charter or similar document adopted or filed in connection with the creation, formation or organization of a Person and any agreement amongst its members, (vi) any documents equivalent to any of the foregoing applicable to non-U.S. jurisdictions, and (vii) any amendments, side letters, modifications, or other arrangements with respect to any of the foregoing.

“Outside Date” has the meaning set forth in Section 9.1(b)(ii).

“Party” or “Parties” means, individually or collectively, Buyer and Seller.

“Permits” has the meaning set forth in Section 3.6(b).

“Permitted Encumbrance” means (a) with respect to any Leased Real Property, any Encumbrance primarily affecting the interest of the landlord, sublandlord or licensor of such real property, (b) any non-exclusive licenses to Intellectual Property granted to customers of the Business in the Ordinary Course of Business, and (c) any Encumbrances that will be removed or released by operation of the Sale Order set forth in Section 1.1 of the Disclosure Schedule.

“Person” means an individual, corporation, partnership, limited liability company, limited liability partnership, syndicate, person, trust, association, organization or other entity, including any Governmental Authority, and including any successor, by merger or otherwise, of any of the foregoing.

“Personal Data” means any information (a) relating to an identified or identifiable natural Person or that could be used to identify, contact, or locate a natural Person, including name, contact information, financial account number, an identification number, location data, IP address, online activity or usage data, an online identifier, or one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural Person, or (b) that is considered “personally identifiable information,” “personal information,” or “personal data” by one or more applicable Privacy and Information Security Requirements.

“Petition Date” has the meaning set forth in the Recitals.

“Pre-Closing Tax Period” means any taxable period ending on or prior to the Closing Date and the portion of any Straddle Period ending on the Closing Date (as determined in accordance with Section 7.3).

“Privacy and Information Security Requirements” means (a) all applicable Laws regulating the Processing of Personal Data, data breach notification, privacy policies and practices, processing and security of payment card information, including, to the extent applicable, the Federal Trade Commission Act, the California Consumer Privacy Act of 2018 (“CCPA”), the Payment Card Industry Data Security Standards, the European General Data Protection Regulation (the “GDPR”), any applicable national laws which implement the GDPR, the UK Data Protection Act 2018 (the “UK DPA”), the Personal Information Protection Law (“PIPL”) of China, state data

security laws and state data breach notification law, in each case as amended, consolidated re-enacted or replaced from time to time, (b) obligations under all Transferred Contracts that relate to Personal Data and (c) all of Seller's written internal and publicly posted policies and representations regarding the Processing of Personal Data in the conduct of the Business.

“Process” or “Processing” with regard to Personal Data means the collection, use, storage, maintenance, retention, transmission, access, processing, recording, distribution, transfer, import, export, protection (including security measures), deletion, disposal or disclosure or other activity regarding data (whether electronically or in any other form or medium).

“Purchase Price” has the meaning set forth in Section 2.6.

“Purchased Inventory” has the meaning set forth in Section 2.1(d).

“Registered IP” has the meaning set forth in Section 3.10(a).

“Release” means any release, spill, emission, discharge, leaking, pouring, dumping or emptying, pumping, injection, deposit, disposal, dispersal, leaching or migration of Hazardous Materials into the indoor or outdoor environment (including soil, ambient air, surface water, groundwater and surface or subsurface strata) or into or out of any property, including the migration of Hazardous Materials through or in the air, soil, surface water, groundwater or property.

“Representatives” means, with respect to any Person, the officers, managers, directors, principals, employees, agents, auditors, Advisors, and other representatives of such Person.

“Sale Hearing” means the hearing conducted by the Bankruptcy Court to approve the transactions contemplated by this Agreement.

“Sale Motion” means a motion filed by Seller with the Bankruptcy Court in connection with the Bankruptcy Case requesting the entry of the Sale Order and including the proposed Bidding Procedures.

“Sale Order” means an Order of the Bankruptcy Court approving this Agreement and the transactions contemplated by this Agreement, the form of which Sale Order is attached hereto as Exhibit A, with such changes that are acceptable to both Buyer and Seller.

“Sales Tax Reserve” means an amount of cash equal to any sales, excise or other point-of-sale Taxes collected and owing by or on behalf of Seller through the Closing, which Taxes have not yet been remitted to the appropriate Governmental Authorities and are included in cash of Seller as of the Closing. For the avoidance of doubt, the Sales Tax Reserve shall not include any amounts in respect of Transfer Taxes.

“Seller” has the meaning set forth in the Preamble.

“Seller Bank Accounts” has the meaning set forth in Section 2.2(h).

“Seller Marks” has the meaning set forth in Section 6.9.

“Seller Non-Recourse Person” has meaning set forth in Section 10.21(b).

“Seller Products” has the meaning set forth in Section 3.17.

“Straddle Period” means any taxable period that includes, but does not end on, the Closing Date.

“Subsidiary” of any Person means any entity (a) of which 50% or more of the outstanding share capital, voting securities or other voting equity interests are owned or controlled, directly or indirectly, by such Person, (b) of which such Person is entitled to elect, directly or indirectly, at least 50% of the board of directors or similar governing body of such entity or (c) if such entity is a limited partnership or limited liability company, of which such Person or one of its Subsidiaries is a general partner or managing member or has the power to direct the policies, management or affairs.

“Tax Law” means any statute, law, ordinance, regulation, rule, code, injunction, judgment, decree or order of any Governmental Authority relating to Taxes.

“Tax Return” means any return, document, declaration, report, claim for refund, statement, information statement or other information or filing relating to Taxes, including any schedule or attachment thereto or amendment thereof, that is filed with or supplied to, or required to be filed with or supplied to, any Governmental Authority.

“Taxes” means any and all U.S. federal, state and local, foreign, and other taxes, charges, fees, duties, levies, tariffs, imposts, tolls, customs or other assessments imposed by any Governmental Authority, including net income, gross income, gross receipts, sales, use, ad valorem, transfer, franchise, profits, branch profits, profit share, license, lease, service, service use, value added, withholding, payroll, employment, fringe, fringe benefits, excise, estimated, severance, stamp, occupation, premium, property, escheat or unclaimed property, windfall profits or other taxes, together with any interest, penalties, additions to tax, or other additional amounts imposed with respect thereto.

“Transfer Taxes” has the meaning set forth in Section 7.1.

“Transferred A/R” has the meaning set forth in Section 2.1(c).

“Transferred Assets” has the meaning set forth in Section 2.1.

“Transferred Contracts” has the meaning set forth in Section 2.1(e).

“Transferred IP” has the meaning set forth in Section 2.1(f).

“Transition Services” has the meaning set forth in Section 6.13(a).

“Treasury Regulations” means the regulations promulgated under the Code by the United States Department of the Treasury (whether in final, proposed or temporary form), as the same may be amended from time to time.

“Union” has the meaning set forth in Section 3.8(a).

“Unsecured Creditor Payment Amount” means \$27,400.00.

ARTICLE II

PURCHASE AND SALE

Section 2.1 Purchase and Sale of Transferred Assets. Upon the terms and subject to the conditions of this Agreement and the Sale Order, at the Closing, Seller shall sell, assign, transfer, convey and deliver, or cause to be sold, assigned, transferred, conveyed and delivered, to Buyer, and Buyer shall purchase, all right, title and interest of Seller, in, to or under the Transferred Assets, free and clear of any and all Encumbrances (other than Permitted Encumbrances). “Transferred Assets” shall mean all of the following properties and assets of Seller of every kind and description, whether real, personal, mixed, tangible or intangible (but excluding, in each case, any Excluded Assets):

(a) all rights in or to any Action, and all other rights, claims or causes of action, of Seller against any Person arising out of events occurring prior to the Closing related to the Business or the Transferred Assets, including, for the avoidance of doubt, arising out of events occurring prior to the commencement of the Bankruptcy Case, and including any rights under or pursuant to any and all warranties, licenses, indemnities, representations and guarantees made by suppliers, manufacturers and contractors relating to products sold, or services provided, to Seller, in each case, relating to the Business (but excluding Avoidance Claims, which shall be governed by Sections 2.1(j) and 2.2(k) below);

(b) other than Inventory, all fixed assets, equipment, machinery, furnishings, computer hardware, servers, computer backup media, electronic devices, vehicles, tools, office supplies, hardware and firmware, data processing and computer equipment, appliances, fixtures and other tangible personal property used in the operation of the Business;

(c) all accounts receivable, trade accounts, notes receivable or other rights to receive payments (including all rights in respect of disputed amounts), including all accounts receivable set forth on Section 2.1(c) of the Disclosure Schedule, as updated in the Final Calculation Statement to reflect accounts receivable as of the Closing, regardless of aged status, together with all interest or unpaid financing charges accrued thereon (the “Transferred A/R”);

(d) all Inventory, including all Inventory described in Section 2.1(d) of the Disclosure Schedule, as updated prior to Closing based on the Inventory Count (the “Purchased Inventory”);

(e) each of the Contracts set forth on Section 2.1(e) of the Disclosure Schedule, as may be amended from time to time pursuant to Section 2.5(e) (the “Transferred Contracts”); provided that any applicable Cure Claims shall either be waived by the Contract counterparty or paid by or on behalf of Buyer or its designee in an amount and on terms agreed upon between Buyer and such Contract counterparty;

(f) all Intellectual Property relating to, or used or held for use in, the Business, including the Registered IP and all other Intellectual Property listed on Section 3.10(a) of the Disclosure Schedule, and all Intellectual Property that is governed by any Transferred Contract (collectively, the “Transferred IP”);

(g) all goodwill associated with the Transferred Assets;

(h) to the extent not prohibited by Law and not subject to attorney-client privilege or other work product privilege and except as set forth in Sections 2.2(a) and (f), all books and records, vendor files, information and data, customer files, lists, information and data, subscriber files, lists, information and data, sales, pricing, marketing and advertising information, records, data, lists and materials, packaging and promotional materials, media content, strategic plans, recipes, ingredient lists and information, engineering and manufacturing data and other technical information and data, communications and correspondences (including electronic mail communications that exist and are dated within four (4) years of the Closing Date), and all other business, financial and other information and records, in each case, that are related and material to the Business, the Transferred Assets or the Assumed Liabilities; provided, however, that (i) Seller has the right to retain copies, all of which copies shall be Confidential Information subject to Section 6.3, and (ii) notwithstanding the language above in this Section 2.1(h), all communications and correspondences (including electronic mail communications) and work product related to the Bankruptcy Case, including but not limited to the transactions contemplated by this Agreement, and including communications by Seller to and/or from its counsel in the Bankruptcy Case, and all email communication dated more than four (4) years prior to the Closing Date, are excluded and considered Excluded Assets;

(i) all telephone and facsimile numbers and email addresses used in or related to the Business, and all records of email addresses of customers, suppliers and other business relations of the Business;

(j) all avoidance claims or causes of action available to Seller under Chapter 5 of the Bankruptcy Code (including Sections 544, 545, 547, 548, 549, 550 and 553) or any similar actions under any other applicable Law (collectively, “Avoidance Actions”) against the following (collectively, the “Designated Parties”): (i) any of Seller’s vendors, suppliers, customers or trade creditors with whom Buyer continues to conduct business in regard to the Transferred Assets after the Closing, (ii) any of Seller’s counterparties under any licenses of Intellectual Property that are Transferred Contracts or counterparties under any other Transferred Contracts, and (iii) any Affiliates of any of the Persons listed in clauses (i) and (ii);

(k) all prepaid expenses, deposits, credits, advance payments, claims, security, refunds, rights of recovery, rights of set-off, rights of recoupment, charges, sums and fees used by, held for use in or relating to the Business;

(l) all Permits used by, held for use in or relating to the Business, to the extent transferable;

(m) all Tax refunds and Tax attributes of Seller that are not transferred by the operation of applicable Tax Law;

(n) all insurance claims and related rights and proceeds related to the Business, any Transferred Asset or any Assumed Liability;

(o) all test reports and other testing and compliance results and reports in connection with or relating to the composition, design, manufacture, sale and/or use of Seller Products (whether prepared by or on behalf of, or at the request of, Seller or any customer of Seller or the Business, and/or utilized or required by Seller or any of its direct or indirect suppliers or customers); and

(p) all other assets that are related to or used or held for use in connection with the Transferred Assets or the Business (but excluding the Excluded Assets).

Section 2.2 Excluded Assets. Notwithstanding anything contained in Section 2.1 to the contrary, Seller is not selling, and Buyer is not purchasing, any right, title or interest in, to or under any assets of Seller other than the Transferred Assets. The following assets and any asset other than the Transferred Assets shall be retained by Seller (collectively, the “Excluded Assets”):

(a) Seller’s documents, written files, papers, books, reports and records prepared or received by any Seller or any of its Affiliates or Representatives: (i) in connection with this Agreement and the transactions contemplated hereby or primarily relating to the Bankruptcy Case, (ii) that are subject to any privilege in favor of Seller or any of its Affiliates (except to the extent such documents or communications are related to Buyer’s continued conduct of the Business after the Closing or any Transferred Assets or Assumed Liabilities), or (iii) the disclosure or transfer of which is prohibited by applicable Law;

(b) all rights, claims and causes of action, to the extent relating to any Excluded Asset (and not relating to any Transferred Asset);

(c) shares of capital stock or other equity interests of Seller or securities convertible into or exchangeable or exercisable for shares of capital stock or other equity interests of Seller;

(d) except as set forth in Section 2.1(n), all insurance policies, and all rights and benefits of any nature of Seller with respect thereto, including all insurance recoveries thereunder and rights to assert claims with respect to any such insurance recoveries;

(e) each Contract of Seller that is not a Transferred Contract;

(f) (i) all books and records to the extent related to any of the Excluded Assets or Liabilities of Seller other than Assumed Liabilities, and (ii) all minute books, Organizational Documents, stock registers and such other books and records of Seller pertaining to ownership, organization, qualification to do business, capitalization, or existence of Seller, Tax Returns (and any related work papers) of Seller, and any corporate seal of Seller;

(g) all Cash and Cash Equivalents;

(h) all bank and lockbox accounts of Seller (collectively, the “Seller Bank Accounts”);

(i) all rights, claims or causes of action of Seller under this Agreement and the Ancillary Agreements and under any Contracts that are not Transferred Contracts;

(j) all Employee Benefit Plans (including all assets, trusts, insurance policies and administration service contracts related thereto);

(k) all Avoidance Actions against Persons other than the Designated Parties;
and

(l) all assets that (i) are expressly excluded or excepted from the definition of Transferred Assets and do not relate to any Transferred Asset or (ii) are set forth in Section 2.2(l) of the Disclosure Schedule.

Section 2.3 Assumed Liabilities. In connection with the purchase and sale of the Transferred Assets pursuant to this Agreement, at the Closing, Buyer shall assume and pay, discharge, perform or otherwise satisfy only the following Liabilities of Seller to the extent incurred exclusively in the operation of the Business and existing as of, and not paid or satisfied prior to, the Closing (the “Assumed Liabilities”):

(a) Liabilities of Seller arising under the Transferred Contracts, but only to the extent that the Liabilities thereunder are required to be performed after the Closing Date, were incurred in the Ordinary Course of Business, and do not relate to any failure to perform, improper performance, breach of warranty or other breach, default or violation by Seller on or prior to the Closing;

(b) any Liabilities in excess of the Operational Administrative Expense Amount for the Operational Administrative Expenses;

(c) all Cure Claims associated with Transferred Contracts; and

(d) all Liabilities for the Assumed A/P and Assumed Purchase Orders.

Section 2.4 Excluded Liabilities. Buyer shall not assume, be obligated to pay, perform, or otherwise discharge, or in any other manner be liable or responsible for any Liabilities of, or Action against, Seller or relating to the Transferred Assets or the Business, of any kind or nature whatsoever, whether absolute, accrued, contingent or otherwise, liquidated or unliquidated, due or to become due, known or unknown, currently existing or hereafter arising, matured or unmatured, direct or indirect, and however arising, whether existing on the Closing Date or arising thereafter as a result of any act, omission, or circumstances taking place prior to the Closing, except for the Assumed Liabilities (all Liabilities not assumed by a Buyer pursuant to Section 2.3, “Excluded Liabilities”). Without limiting the generality of the foregoing, the Excluded Liabilities shall include each of the following Liabilities of the Seller:

(a) all Liabilities not relating to or arising out of the Business or the Transferred Assets, including any Liability relating to or arising out of any Excluded Asset (other than Operational Administrative Expenses);

- (b) all Liabilities of Seller under this Agreement, any Ancillary Agreement or the transactions contemplated hereby or thereby;
- (c) any Controlled Group Liability;
- (d) any Liabilities arising under or relating to any Employee Benefit Plan, including any severance or retention obligations for any employee of Seller;
- (e) all Liabilities to or in respect of any employee of Seller, including any Liabilities related to unpaid wages, salaries, commissions, paid time off, severance, claims for workers compensation and COBRA;
- (f) any Liabilities related to any Contracts that are not Transferred Contracts (including any Liabilities arising out of the rejection of any such Contracts pursuant to Section 365 of the Bankruptcy Code);
- (g) all Liabilities relating to any Action or other claim involving, against or affecting any Transferred Asset, the Business, Seller or any assets or properties of Seller that relates to facts, events or circumstances arising or occurring prior to the Closing;
- (h) any Excluded Taxes;
- (i) all Liabilities for fees, costs, and expenses incurred in the administration of the Bankruptcy Case and the operation and post-closing administrative wind-down of the bankrupt estate pursuant to the Bankruptcy Code, other than Operational Administrative Expenses; and
- (j) any Liabilities related to any indebtedness of Seller.

Section 2.5 Assignment of Transferred Contracts.

(a) As promptly as practicable, the Parties shall take all reasonably necessary or appropriate actions in order to determine the Cure Claim with respect to all Contracts, including the right to negotiate in good faith and litigate, if necessary, with any Contract counterparty the Cure Claims required to cure all monetary defaults under such Contract and shall deliver to Buyer a written schedule of such Cure Claims for Buyer's review. Prior to the Designation Deadline, Buyer may designate or remove the designation of any Contract as a Transferred Contract in accordance with Section 2.5(e).

(b) Within five (5) Business Days after the date of Buyer's designation of any Contract as a Transferred Contract, Seller shall deliver a notice, in form and substance reasonably acceptable to Buyer, of potential assumption and assignment of the Transferred Contract (a "Contract Notice") to the applicable counterparty thereto (each a "Contract Counterparty"), which Contract Notice shall specify: (i) that such Contract is contemplated to be assumed and assigned to Buyer as a Transferred Contract in connection with the transactions contemplated hereunder; (ii) the proposed Cure Claim with respect to such Transferred Contract; (iii) that each Contract Counterparty may file an objection (a "Contract Objection") to the proposed assumption and assignment of the applicable Transferred Contract or the proposed Cure Claim, if any, related thereto, which Contract Objection must (A) be in writing; (B) comply with the Federal Rules of

Bankruptcy Procedure and any applicable local rules of the Bankruptcy Court; (C) be filed with the Clerk of the Bankruptcy Court, together with proof of service, on or before 5:00 p.m. (prevailing Pacific Time) on the date that is twenty-one (21) days after the date Seller delivered the Contract Notice (the “Contract Objection Deadline”); (D) be served, so as to actually be received on or before the Contract Objection Deadline on counsel to Seller, counsel to BP, counsel to Buyer, and the Office of the U.S. Trustee for the Central District of California; and (E) state with specificity the grounds for such objection, including, without limitation, the asserted amount of the fully liquidated Cure Claim and the legal and factual bases for any unliquidated portion of the Cure Claim that the Contract Counterparty believes is required to be paid under section 365(b)(1)(A) and (B) of the Bankruptcy Code for the applicable Transferred Contract, along with the specific nature and dates of any alleged defaults, the pecuniary losses, if any, resulting therefrom, and the conditions giving rise to any such defaults. If a Contract Counterparty files a Contract Objection in a manner that is consistent with the requirements set forth above and the parties are unable to consensually resolve the dispute prior to the Sale Hearing, the amount to be paid or reserved with respect to such Contract Objection will be determined at the Sale Hearing or such other date determined by the Bankruptcy Court.

(c) To the maximum extent permitted by the Bankruptcy Code and subject to the other provisions of this Section 2.5, on the Closing Date, Seller shall transfer and assign all of the Transferred Assets (including the Transferred Contracts) to Buyer pursuant to Sections 363 and 365 of the Bankruptcy Code, the Sale Order and the Assignment and Assumption Agreement, subject to the provision of adequate assurance by Buyer as may be required under Section 365 of the Bankruptcy Code and payment by Buyer of the Cure Claims in respect of the Transferred Contracts, and Buyer shall assume such Transferred Assets pursuant to the Assignment and Assumption Agreement. All Cure Claims in respect of all of the Transferred Contracts shall be paid by Buyer.

(d) Notwithstanding anything in this Agreement to the contrary, to the extent that the sale, transfer, assignment, conveyance or delivery, or attempted sale, transfer, assignment, conveyance or delivery to Buyer of any asset that would be a Transferred Asset or any claim or right or any benefit arising thereunder or resulting therefrom is prohibited by any applicable Law or would require any consent from any Governmental Authority or any other third party and such consents shall not have been obtained prior to the Closing (after giving effect to the Sale Order), the Closing shall proceed without any reduction in Purchase Price without the sale, transfer, assignment, conveyance or delivery of such asset. In the event that the Closing proceeds without the transfer or assignment of any such asset, then following the Closing, Seller shall use its commercially reasonable efforts at Buyer’s sole expense and subject to any approval of the Bankruptcy Court that may be required, and Buyer shall use commercially reasonable efforts to cooperate with Seller, to obtain such consent as promptly as practicable following the Closing. Pending the receipt of such consent, the Parties shall, at Buyer’s sole expense, reasonably cooperate with each other to provide Buyer with all of the benefits of use of such asset. Once consent for the sale, transfer, assignment, conveyance or delivery of any such asset not sold, transferred, assigned, conveyed or delivered at the Closing is obtained, Seller shall promptly transfer, assign, convey and deliver such asset to Buyer. To the extent that any such asset cannot be transferred or the full benefits or use of any such asset cannot be provided to Buyer, then as promptly as practicable following the Closing, Buyer and Seller shall enter into such arrangements (including subleasing, sublicensing or subcontracting), and shall, at Buyer’s sole expense,

reasonably cooperate with each other, to provide Buyer with all of the benefits of use of such asset. Seller shall hold in trust for, and pay to Buyer, promptly upon receipt thereof, all income, proceeds and other monies received by Seller derived from its use of any asset that would be a Transferred Asset in connection with the arrangements under this Section 2.5(d). The Parties agree to treat any asset the benefits of which are transferred pursuant to this Section 2.5(d) as having been sold to Buyer for Tax purposes to the extent permitted by Law. Each of Seller and Buyer agrees to notify the other Party promptly in writing if it determines that such treatment (to the extent consistent with the relevant arrangement agreed to by Seller and Buyer pursuant to this Section 2.5(d)) is not permitted for Tax purposes under applicable Law.

(e) Buyer may amend or revise Section 2.1(e) of the Disclosure Schedule setting forth the Transferred Contracts, in order to add any Contract to, or eliminate any Contract from, such section at any time during the period commencing on the date hereof and ending on the date that is the earlier of (i) two (2) Business Days prior to the Closing Date and (ii) the date that the Bankruptcy Code or Bankruptcy Court would otherwise require a determination to assume or reject such Contract (in either case, the “Designation Deadline”); provided, however, that in the event that, as of three (3) Business Days prior to the Designation Deadline, (A) a timely objection to a Cure Claim for any Transferred Contract is still pending or (B) Seller has not provided Buyer a current, executed copy of any written Transferred Contract (to the extent a written copy of such Transferred Contract exists), then Buyer shall have the option to remove such Transferred Contract from Section 2.1(e) of the Disclosure Schedule until the earlier of (y) thirty (30) days following the date on which the Cure Claim has been determined by the Bankruptcy Court or the date on which Buyer has received such a copy of such Transferred Contract, as applicable and if a written copy of such Contract exists, and (z) the date the Contract Counterparty for such Transferred Contract and Buyer have agreed on the Cure Claim for such Transferred Contract or have agreed in writing on definitive go-forward terms for such Transferred Contract, and in the case of (y) or (z), the Cure Claim and/or any other relevant information with respect to such Transferred Contract, as applicable, shall be updated on Section 2.1(e) of the Disclosure Schedule accordingly. Automatically upon the addition of any Contract to Section 2.1(e) of the Disclosure Schedule, such Contract shall be a Transferred Contract for all purposes of this Agreement. Automatically upon the removal of any Contract from Section 2.1(e) of the Disclosure Schedule, such Contract shall be an Excluded Asset for all purposes of this Agreement, and no Liabilities arising thereunder shall be assumed or borne by Buyer unless such Liability is otherwise specifically assumed pursuant to Section 2.3.

Section 2.6 Consideration.

The aggregate consideration for the purchase, sale, assignment and conveyance of the Transferred Assets from Seller to Buyer (the “Purchase Price”) shall consist of:

(a) the payment by Buyer, by wire transfer of immediately available funds no later than three (3) Business Days following the Execution Date to the interest on lawyer trust account (IOLTA) maintained by Seller’s legal counsel as instructed in writing by Seller’s legal counsel prior to the Execution Date, of \$250,000.00 (the “Initial Deposit Amount”), which Initial Deposit Amount shall be held in trust for the Parties by Seller’s legal counsel and shall be (i) paid to Seller upon the Closing or (ii) paid to Seller or repaid to Buyer upon termination of this

Agreement in accordance with Section 9.2(d), and the Parties agree that no interest shall accrue on the Initial Deposit Amount;

(b) the payment by Buyer, by wire transfer of immediately available funds on the Closing Date to one or more accounts designated in writing by Seller in accordance with Section 2.8(c)(iv), of an aggregate amount (the “Cash Consideration”) calculated as follows:

- (i) Two Million Eight Hundred Fifty-Six Thousand Two Hundred Fifty-Four Dollars (\$2,856,254.00); minus
 - (ii) the BP A/P Contribution Amount; plus
 - (iii) the Montminy Fee Amount; plus
 - (iv) the Estate Administrative Expense Amount; plus
 - (v) the Operational Administrative Expense Amount; plus
 - (vi) the Unsecured Creditor Payment Amount; minus
 - (vii) the Initial Deposit Amount; minus
 - (viii) the amount of Closing Cash and Cash Equivalents; plus
 - (ix) the Sales Tax Reserve; and
- (c) the assumption by Buyer of the Assumed Liabilities from Seller.

For exemplary purposes only, attached hereto as Exhibit B is a sample Funds Flow Memorandum (based upon figures dated on or about November 30, 2024) demonstrating the calculation of Cash Consideration under Sections 2.6(b)(i) – (ix). Various line items therein, however, will be updated as provided in the Final Calculation Statement, including but not limited to the Closing Cash and Cash Equivalents.

Section 2.7 Inventory Count; Calculation of Transferred A/R, Assumed A/P, Assumed Purchase Orders and Cash and Cash Equivalents.

(a) No more than three (3) Business Days, and no less than one (1) Business Day, prior to the Closing Date, the Parties shall cooperate to conduct a physical count and inspection of the Purchased Inventory (the “Inventory Count”). The Parties are aware that advance Notice (approximately 5 Business Days) is required to be provided to the two (2) third-party warehouses to conduct the Inventory Count. The Inventory Count will be taken in accordance with the historical past practice of the Business, to the extent consistent with GAAP, and otherwise in accordance with GAAP. Buyer and Seller will each have the right to have their respective Representatives observe and participate in the Inventory Count. The results of the Inventory Count will be used to determine the amount of Purchased Inventory. All of the cost of conducting the Inventory Count shall be at Buyer’s expense.

(b) From and after the Execution Date and continuing until the Closing Date, Seller shall prepare and deliver to Buyer, on a weekly basis, a written statement (each, a "Calculation Statement") setting forth (i) Seller's good faith calculation, as of 11:59 p.m. Pacific Time on the day immediately preceding the date of such Calculation Statement, of (A) the amount of Transferred A/R and (B) and amount of Assumed A/P and Assumed Purchase Orders and (ii) bank account statements and screen shots of the current account balances in such bank accounts verifying the amount of Cash and Cash Equivalents as of the date of such Calculation Statement, in each case, calculated in accordance with the terms of this Agreement. During such period, Seller shall reasonably cooperate with and assist Buyer in connection with Buyer's review of each Calculation Statement, including by (A) providing Buyer and its accountants with reasonable access to the appropriate employees and other Representatives of Seller who are knowledgeable about the information contained in, or the preparation of, such Calculation Statement and (B) providing all books, records and other information reasonably requested by Buyer in connection with such Calculation Statement. Buyer may question or object to any Calculation Statement by delivering to Seller a written notice setting forth Buyer's questions or objections, in which case Buyer and Seller shall endeavor in good faith to resolve such questions or objections as promptly as practicable.

(c) On the date that is one (1) Business Day prior to the Closing Date, Seller shall deliver to Buyer the final Calculation Statement (the "Final Calculation Statement"). Buyer and Seller shall endeavor in good faith to resolve any questions or objections Buyer may have in respect of the Final Calculation Statement, and the calculation of Transferred A/R, Assumed A/P and Assumed Purchase Orders set forth on the Final Calculation Statement, as updated to reflect the agreement or resolution of the Parties with respect to any questions or objections of Buyer, and the amount of Cash and Cash Equivalents reflected therein shall be final and binding on the Parties for purposes of this Agreement, absent manifest error.

Section 2.8 Closing.

(a) The purchase, sale, assignment and conveyance of the Transferred Assets contemplated by this Agreement shall take place at a closing (the "Closing") to be held by virtual meeting or telephone conference and electronic exchange of documents at 9:00 a.m. Pacific Time on the second (2nd) Business Day following the satisfaction or, to the extent permitted by applicable Law, waiver of all conditions to the obligations of the Parties set forth in Article VIII (other than such conditions as may, by their terms, only be satisfied at the Closing or on the Closing Date, but subject to the satisfaction or waiver of such conditions), or at such other time or on such other date as Seller and Buyer mutually may agree in writing. The day on which the Closing takes place is referred to as the "Closing Date."

(b) At or prior to the Closing, Seller shall deliver or cause to be delivered to Buyer:

(i) a bill of sale, assignment and assumption agreement, in form and substance reasonably satisfactory to the Parties (the "Assignment and Assumption Agreement"), duly executed by Seller;

(ii) an IP Assignment Agreement, duly executed by Seller;

(iii) (A) a consulting agreement between Buyer and Patricia Spencer, duly executed by Patricia Spencer, and (B) a consulting agreement between Buyer and Michael Edell, duly executed by Michael Edell, in each case in form and substance reasonably satisfactory to the Parties (collectively, the “Consulting Agreements”);

(iv) a copy of the Sale Order;

(v) a copy of the BP Settlement Agreement, duly executed by Seller and BP;

(vi) a copy of the BP Settlement Agreement Order;

(vii) an IRS Form W-9 for Seller, duly executed and dated as of the Closing Date;

(viii) a duly executed certificate of a duly authorized officer of Seller certifying the satisfaction of the conditions set forth in Sections 8.3(a), 8.3(b) and 8.3(c);

(ix) for each of Michael Edell and Patricia Spencer, an intellectual property assignment, duly executed by Seller and Michael Edell or Patricia Spencer (as applicable) and effective prior to the Closing Date; and

(x) such other documents as Buyer may reasonably request that are not inconsistent with the terms of this Agreement and reasonably necessary to effectuate or consummate the transactions contemplated by this Agreement.

(c) At or prior to the Closing, Buyer shall deliver or cause to be delivered to Seller:

(i) the Assignment and Assumption Agreement, duly executed by Buyer;

(ii) the IP Assignment Agreement, duly executed by Buyer;

(iii) the Consulting Agreements, duly executed by Buyer;

(iv) the Cash Consideration in cash by wire transfer of immediately available funds to an account or accounts designated by Seller; and

(v) a duly executed certificate of a duly authorized officer of Buyer certifying the satisfaction of the conditions set forth in Section 8.2(a) and Section 8.2(b).

Section 2.9 Purchase Price Allocation. For U.S. federal and applicable state, local and foreign Tax purposes, Buyer, Seller, and their respective Affiliates shall allocate the Purchase Price (and any amounts treated as part of the Purchase Price for applicable Tax purposes) among the Transferred Assets in accordance with Section 1060 of the Code and the Treasury Regulations thereunder (the “Allocation”). Within sixty (60) days following the Closing, Buyer shall prepare and deliver to Seller a draft of the Allocation. Such Allocation shall be final and binding on each

Party for all Tax purposes. The Parties and their respective Affiliates shall (a) file all applicable Tax Returns in accordance with the Allocation and (b) not take any Tax-related action in connection with any Tax audit or proceeding that is inconsistent with the Allocation, except, in each case, to the extent otherwise required pursuant to a “determination” within the meaning of Section 1313(a) of the Code or any similar provision of state, local or foreign Tax Law.

Section 2.10 Withholding. Notwithstanding anything in this Agreement to the contrary, Buyer shall be entitled to deduct and withhold from any amount (or portion thereof) payable under this Agreement such Taxes as are required to be deducted and withheld from such amount under the Code or any other applicable provision of U.S. or foreign Tax Law. To the extent that Buyer intends to withhold any such amounts from the Purchase Price, it shall notify Seller of such intention and shall provide Seller with an opportunity to provide forms or evidence that would establish an exemption from, or reduction in the amount of, withholding tax and shall otherwise cooperate in good faith with Seller and use commercially reasonable efforts to minimize or eliminate any such deductions or withholdings. To the extent that any amounts are so deducted and withheld and paid to the applicable Governmental Authority, such deducted and withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Person in respect of which such deduction and withholding was made.

Section 2.11 Post-Closing Expense Reductions. Following the Closing, Seller shall keep Buyer reasonably informed of any changes in the amounts of the Operational Administrative Expenses, the amounts of the claims and expenses included in the Estate Administrative Expense Amount and/or the amount of the Sales Tax Reserve that are actually paid or expected to be payable by Seller, in each case as compared to the amounts set forth in this Agreement and/or on the final flow of funds memorandum executed by the Parties at the Closing. Seller shall provide Buyer and its Representatives with reasonable access to the appropriate Representatives of Seller who are knowledgeable about such amounts and shall provide all books, records and other information reasonably requested by Buyer (including any relevant account statements, quotes and invoices) in order to permit Buyer to verify such amounts and any changes thereto. If, upon the final determination of the actual amounts of the Operational Administrative Expenses, the amounts of the claims and expenses included in the Estate Administrative Expense Amount and the amount of the Sales Tax Reserve that are paid or payable by Seller, any such amount is less than the corresponding amount set forth in this Agreement and/or on the final flow of funds memorandum (an “Expense Reduction”), then Seller (or its equity holders) shall promptly, and no later than ten (10) Business Days following the final determination of the applicable amount(s), pay to Buyer, by wire transfer of immediately available funds to the account(s) designated by Buyer, the amount of such Expense Reduction. Any payment pursuant to this Section 2.11 shall be deemed to be an adjustment to the Purchase Price for tax purposes.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF SELLER

Except as set forth in the Disclosure Schedule attached hereto, Seller represents and warrants to Buyer as follows:

Section 3.1 Organization. Seller (a) is a limited liability company duly organized, validly existing and in good standing under the Laws of the State of California, (b) has all requisite power and authority to own and operate its properties and to carry on its businesses as now conducted, subject to the provisions of the Bankruptcy Code, and (c) is qualified to do business and is in good standing (or its equivalent) in every jurisdiction in which its ownership of property or the conduct of its business as now conducted requires it to qualify, except where the failure to be so qualified is not and would not reasonably be expected to be material to the Business.

Section 3.2 Authority. Subject to approval of the Bankruptcy Courts and entry of the Sale Order, (a) Seller has the requisite limited liability company power and authority to execute and deliver this Agreement and each of the Ancillary Agreements to which it will be a party, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby, (b) the execution, delivery and performance by Seller of this Agreement and each of the Ancillary Agreements to which it will be a party and the consummation by Seller of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary limited liability company action and (c) this Agreement has been, and upon its execution each of the Ancillary Agreements to which Seller will be a party will have been, duly executed and delivered by Seller and, assuming due execution and delivery by each of the other parties thereto, this Agreement constitutes, and upon its execution each of the Ancillary Agreements to which Seller will be a party will constitute, the legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms, except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity (regardless of whether considered in a proceeding in equity or at law) (the "Enforceability Exceptions").

Section 3.3 No Conflict; Required Filings and Consents.

(a) Except as set forth in Section 3.3(a) of the Disclosure Schedule and so long as (i) entry is made by the Bankruptcy Court of the Sale Order and (ii) the notices, authorizations, approvals, Orders, permits or consents set forth in Section 3.3(b) of the Disclosure Schedule are made, given or obtained (as applicable), the execution, delivery and performance by Seller of this Agreement and the consummation by Seller of the transactions contemplated hereby, do not and will not, with or without notice, lapse or time or both: (A) violate the Organizational Documents of Seller; (B) conflict with or violate any Law applicable to Seller or the Business or by which any Transferred Asset is bound; (C) result in any material breach of, constitute a material default (or an event that, with notice or lapse of time or both, would become a material default) under, create in any party thereto the right to terminate or cancel, result in the acceleration of or create in any party thereto a right of acceleration under, or require any consent under, or result in the creation or imposition of any material Encumbrance (other than a Permitted Encumbrance) on any Transferred Asset; or (D) result in any material breach of, constitute a material default under, create in any party thereto the right to terminate or cancel, result in the acceleration of or create in any party thereto a right of acceleration under, or require any consent under, or result in the creation or imposition of any material Encumbrance on any Transferred Contract.

(b) Except as set forth in Section 3.3(b) of the Disclosure Schedule, Seller is not required to file, seek or obtain any notice, authorization, approval, Order, permit, or consent of or with any Governmental Authority in connection with the execution, delivery and

performance by Seller of this Agreement or the consummation by Seller of the transactions contemplated hereby, except requisite approvals from the Bankruptcy Court.

Section 3.4 Transferred Assets. Subject to entry of the Sale Order by the Bankruptcy Court:

(a) Seller has good, valid and marketable title to, and owns and possesses all rights and interests in (or with respect to leased Transferred Assets, valid leasehold interests in, or with respect to licensed Transferred Assets, valid licenses to use), including the rights to use and transfer, each of the Transferred Assets.

(b) This Agreement and the instruments and documents to be delivered by Seller to Buyer at the Closing shall be adequate and sufficient to transfer to Buyer (i) Seller's entire right, title and interest in and to the Transferred Assets and (ii) good, valid and marketable title to and interest in the Transferred Assets, free and clear of all Encumbrances (other than Permitted Encumbrances), claims and interests, other than Assumed Liabilities.

(c) The Transferred Assets are suitable and adequate for the purposes for which such assets are currently used or are held for use, conform in all material respects to all Laws applicable thereto, are, to the extent applicable, structurally sound and in good repair and operating condition and not in need of maintenance or repairs (other than ordinary, routine maintenance and repairs that are not material in nature or cost), and there are no facts or conditions affecting the Transferred Assets which could, individually or in the aggregate, interfere with the use or operation thereof as currently used or operated, or their suitability or adequacy for such use. The Transferred Assets include all of those assets, whether tangible or intangible, real or personal, that are necessary for the Business to be conducted by Buyer immediately after the Closing in the same manner as currently conducted by Seller, and constitute all of the rights, properties and assets necessary for or material to the conduct of the Business.

Section 3.5 Absence of Certain Changes or Events. Since January 1, 2024 through the date of this Agreement, there has not been any event, change, condition, occurrence or effect that, individually or in the aggregate, has had, or would be reasonably expected to have, a Material Adverse Effect. Except (a) discussions, negotiations and activities related to this Agreement or other potential strategic transactions, (b) for the solicitation of, discussions and negotiations with, presentations and provision of other diligence to and similar engagement with other potential bidders for the Transferred Assets, or (c) as set forth in Section 3.5 of the Disclosure Schedule or as expressly contemplated by this Agreement, from January 1, 2024, until the date hereof, Seller has operated the Business only in the Ordinary Course of Business and has not taken any action or failed to take any action, as applicable, that would be prohibited by Section 6.1(b) if taken, failed to be taken or proposed to be taken, except for the execution and delivery of this Agreement.

Section 3.6 Compliance with Law; Permits.

(a) As of the date hereof, (i) the Business is being conducted in compliance in all material respects with, and Seller is in compliance in all material respects with, all applicable Laws relating to the operation of the Business and the Transferred Assets and (ii) there are no

pending or, to the Knowledge of Seller, threatened, Actions relating to any non-compliance of the Business or the Transferred Assets.

(b) Seller is in possession of all material permits (including work permits and visas), licenses, franchises, approvals, certificates, consents, waivers, concessions, exemptions, orders, registrations, notices or other authorizations of any Governmental Authority (the “Permits”) necessary for it to own, lease and operate its assets and properties, to employ or engage its officers, workers and employees and to carry on the Business as currently conducted. All Permits held by Seller are valid and in full force and effect, and Seller is not in default under, or in violation of, any such Permit, and no suspension or cancellation of any such Permit is pending (other than pursuant to its terms) or, to Seller’s Knowledge, threatened. Subject to entry of the Sale Order, each Permit may be transferred or reissued to Buyer in accordance with this Agreement and without the approval of any Person (other than the Bankruptcy Court).

(c) Seller, in relation to the Transferred Assets and the Business, is (and has been at all times during the past five (5) years) in compliance in all material respects with all applicable Laws. Except as set out in Section 3.6 of the Disclosure Schedule, Seller has not been charged with, nor received any notice that it is under investigation with respect to, and Seller is not otherwise now under investigation with respect to, any violation of any applicable Law or other requirement of a Governmental Authority.

Section 3.7 Litigation. Except for Actions filed in the Bankruptcy Court, there is no Action pending or, to the Knowledge of the Seller, threatened by or against Seller that questions or challenges (a) the validity of this Agreement or the Ancillary Agreements, (b) any action taken or proposed to be taken by Seller pursuant to this Agreement or the Ancillary Agreements or in connection with the transactions contemplated by this Agreement or the Ancillary Agreements, or (c) the Seller’s Intellectual Property rights. Except as set forth in Section 3.7 of the Disclosure Schedule and except for Actions filed in the Bankruptcy Court, there is no Action pending or, to the Knowledge of the Seller, threatened by or against Seller that involves or affects the Transferred Assets or the Business.

Section 3.8 Labor and Employment Matters.

(a) Neither Seller nor any of its Affiliates is a party to, bound by, or negotiating any collective bargaining agreement or other Contract with a union, works council or labor organization (any such organization, a “Union”), and there is currently not, and there has not been, any Union representing or purporting to represent any employee of Seller, and no Union or group of employees is seeking or has sought to organize employees for the purpose of collective bargaining. There has never been, nor has there been any threat of, any strike, slowdown, work stoppage, lockout, concerted refusal to work overtime or other similar labor disruption or dispute affecting Seller or any of its employees. Neither Seller nor any of its Affiliates has a duty to bargain with or recognize any Union.

(b) Seller is, and for the past five (5) years has been, in compliance in all material respects with all applicable Laws respecting labor, labor relations, employment and employment practices, including but not limited to all Laws with respect to the terms and conditions of employment, wages, hours, equal employment opportunity, employment

discrimination, worker classification (including the proper classification of workers as independent contractors and consultants, and employees as exempt or non-exempt for overtime pay), immigration, work authorization, occupational health and safety, workers' compensation, vacation pay, the payment of social security and other employment Taxes, disability rights or benefits, plant closures and layoffs, affirmative action, labor relations, employee leave issues and unemployment insurance.

Section 3.9 Real Property. Section 3.9 of the Disclosure Schedule sets forth (a) a correct and complete legal description of each parcel of real property leased or sub-leased by Seller in connection with the Business, including any fulfillment center or warehouse where Inventory is held (the "Leased Real Property") and (b) all of the leases and subleases for each parcel of Leased Real Property, together with the name of the landlord under each such lease or sublease, the rental amount currently being paid (or required by the terms of the lease to be paid) thereunder and the expiration of the term thereof. The Leased Real Property constitutes all of the real property owned, leased, occupied or otherwise used in connection with the Business. Seller has delivered or made available to Buyer complete and accurate copies of all leases and subleases in respect of the Leased Real Property. Neither Seller nor, to Seller's Knowledge, any third party, is in default under the provisions of any lease or sublease in respect of the Leased Real Property, other than those defaults that will be cured in accordance with the Sale Order or waived in accordance with section 365 of the Bankruptcy Code (or that need not be cured under the Bankruptcy Code to permit the assumption and assignment of the applicable lease or sublease). Seller has not pledged, mortgaged or otherwise granted any Encumbrance on its leasehold interest in the Leased Real Property (other than Permitted Encumbrances). Seller is not a sublessor or grantor under any sublease or other instrument granting to any other Person any right to the possession, lease, occupancy or enjoyment of any Real Property.

Section 3.10 Intellectual Property.

(a) A true, correct and complete list of all (i) (A) issued Patents and pending Patent applications, (B) registered Trademarks and applications to register any Trademarks, (C) registered Copyrights and applications for registration of Copyrights, and (D) domain name registrations, in each case which constitute Transferred IP (the "Registered IP"), and (ii) other material Intellectual Property owned by Seller and relating to, or used or held for use in, the Business is set forth in Section 3.10(a) of the Disclosure Schedule. Seller is the sole and exclusive owner of all Intellectual Property included in the Transferred IP, including all Registered IP, and all items of such Registered IP are subsisting, valid and enforceable. No claim has been made or, to Seller's Knowledge, threatened alleging that any such Registered IP is invalid or unenforceable in whole or in part or challenging the use or exclusive ownership of any of the Transferred IP. Seller has performed all acts and has paid all renewal, maintenance, and other fees and taxes required to maintain, enforce and protect its Registered IP (including all registrations and applications) in full force and effect. Except as disclosed in Section 3.10(a) of the Disclosure Schedule, none of the Transferred IP is subject to any outstanding order, judgment, or stipulation restricting the use thereof by Seller.

(b) The conduct of the Business (including the Seller Products) and the use, practice or exploitation of the Transferred IP and other Intellectual Property as currently used, practiced or exploited by Seller in the conduct of the Business does not infringe, misappropriate

or otherwise violate (and has not infringed, misappropriated or otherwise violated) any Person's Intellectual Property rights, and there has been no such Action asserted or, to the Knowledge of Seller, threatened against Seller in connection therewith.

(c) The Transferred IP constitutes all Intellectual Property used in, held for use or necessary for the conduct of the Business as currently conducted.

(d) To the Knowledge of Seller, no Person is infringing, misappropriating or otherwise violating any Intellectual Property owned by or exclusively licensed to Seller that is a Transferred Asset or that is used in or relates to the Business or the products of the Business, and no such Actions have been asserted or threatened against any Person by Seller or, to the Knowledge of Seller, any other Person.

(e) Seller has taken commercially reasonable steps to safeguard and maintain the Transferred IP, including maintaining the confidentiality of all trade secrets and other confidential or proprietary information related primarily to the Business, and none of such confidential or proprietary information has been disclosed other than to employees, representatives and agents of Seller in connection with the operation of the Business, all of whom are bound by written confidentiality agreements.

Section 3.11 Tax Matters.

(a) All income and other material Tax Returns required to be filed by or with respect to the Transferred Assets or the Business have been timely filed, and all such Tax Returns are true, correct and complete in all material respects. Subject to any obligation of Seller under the Bankruptcy Code, all income and other material Taxes due and payable by or with respect to the Transferred Assets or the Business have been timely paid (whether or not shown as due on any Tax Return).

(b) There is no action, suit, claim, deficiency, assessment, or audit pending, proposed in writing, or, to Seller's Knowledge, threatened in writing with respect to Taxes of or relating to the Transferred Assets or the Business.

(c) There are no Encumbrances for Taxes upon the Transferred Assets, other than statutory liens for Taxes the non-payment of which is permitted or required by the Bankruptcy Code.

(d) No agreement, waiver, extension or consent regarding the application of the statute of limitations with respect to any Taxes or Tax Returns of or with respect to the Transferred Assets or the Business is outstanding, nor is there pending any request for such an agreement, waiver, extension or consent.

(e) All Taxes required to have been withheld, collected or deposited by Seller with respect to the Business have been timely withheld, collected or deposited and, to the extent required, have been paid to the relevant Tax authorities.

Section 3.12 Environmental Matters.

(a) As of the date hereof, Seller, the Transferred Assets and the Business are in compliance in all material respects with all applicable Environmental Laws, which compliance includes, but is in no way limited to, compliance with the terms of all Environmental Permits.

(b) As of the date hereof, Seller, the Transferred Assets and the Business are in possession of all Environmental Permits required in connection with the conduct or operation of the Business and the ownership or use of the Transferred Assets, except where the failure to possess any Environmental Permit would not be material to the Business. There is no claim or action currently pending or, to the Knowledge of Seller, threatened, that is or would reasonably be expected to result in the cancellation, revocation or other adverse or limiting modification of any such Environmental Permit.

(c) There is no Environmental Claim pending or, to the Knowledge of Seller, threatened against or affecting Seller, any Transferred Asset or the Business. There are no environmental conditions, including the presence of any Hazardous Material at the Leased Real Property, which would be reasonably likely to form the basis of any Liability of the Business, any Transferred Asset or of any Environmental Claim against or affecting Seller or the Business.

Section 3.13 Material Contracts.

(a) Subject to requisite approvals from the Bankruptcy Courts, as applicable, and assumption by Seller of the applicable Contract in accordance with applicable Law, and except as a result of the commencement of the Bankruptcy Case, each Transferred Contract and each of the leases for Leased Real Property is in full force and effect and is a valid, binding and enforceable obligation of Seller and, to the Knowledge of Seller, each of the other Parties thereto, except as may be limited by the Enforceability Exceptions. Except as set forth in Section 3.13(a) of the Disclosure Schedule, no Seller is in default, or is alleged by the counterparty thereto to have breached or to be in default, under any Transferred Contract, and, to the Knowledge of Seller, no other party to any Transferred Contract is in default thereunder. No Transferred Contract has been canceled or otherwise terminated, and no Seller has received any notice from any Person regarding any such cancellation or termination.

(b) Section 3.13(b) of the Disclosure Schedule sets forth a true and complete list, as of the date hereof, of all executory Contracts and unexpired leases related to the Business or any Transferred Asset or Assumed Liability to which Seller is a party or by which Seller or any of its assets or properties is bound. True and complete copies of all Contracts and leases set forth in Section 3.13(b) of the Disclosure Schedule have been made available to Buyer.

Section 3.14 Financial Statements.

(a) True, correct and complete copies of (i) the unaudited balance sheets and statements of income, changes in members' equity and cash flow of Seller as of December 31, 2023, together with any accountant's reports thereon (the "Annual Financial Statements") and (ii) unaudited consolidated balance sheets and statements of income, changes in members' equity and cash flow of Seller as of and for the ten (10)-month period ended October 31, 2024 (the "Interim Financial Statements") and, together with Annual Financial Statements, the "Financial Statements") have been provided to Buyer. The Financial Statements present fairly, in all material respects, the

financial position, results of operations and cash flows of Seller as of the dates and for the periods indicated in such Financial Statements, have been prepared in accordance with the books of account and other financial records of Seller and have been prepared in conformity with GAAP (except, in the case of the Interim Financial Statements, for the absence of footnotes and other presentation items and for normal year-end adjustments that are not material individually or in the aggregate).

(b) The financial books and records of Seller have been maintained in accordance with customary business practices and, taken together, fairly and accurately reflect on a basis consistent with past periods and throughout the periods involved, (i) the financial position of Seller, and (ii) all transactions between Seller, on the one hand, and any of Seller's Affiliates or equity holders, on the other hand. Seller maintains systems of internal accounting controls designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements.

Section 3.15 Accounts Receivable. Seller has not entered into any agreement to discount or accelerate the payment of the Transferred A/R. The Transferred A/R (a) has arisen from bona fide transactions entered into by Seller involving the sale of goods in the Ordinary Course of Business, (b) is not subject in any material respect to claims of set-off or other defenses or counterclaims other than normal cash discounts accrued in the Ordinary Course of Business, and (c) has been billed, is current and, to Seller's Knowledge, is collectible, subject to any reserve for bad debt as shown on the Interim Financial Statements.

Section 3.16 Inventory. All Inventory of Seller has been acquired or manufactured in the Ordinary Course of Business. All Inventory is owned by Seller, no Inventory is held on a consignment basis, and Seller has no Liability relating to consigned Inventory or other goods. Other than Inventory in transit, all Inventory of Seller is located at one of the locations set forth in Section 3.16 of the Disclosure Schedule. All Inventory of Seller was manufactured in compliance with applicable Law. All Inventory of Seller is of a quality and quantity presently useable and salable in the Ordinary Course of Business within a reasonable period of time (consistent with past practice) and at normal profit margins, and the quantities of each type of Inventory are not and will not be excessive in amount and are reasonable in the present circumstances of the Business. All Inventory of Seller is merchantable and fit for the purpose for which it was procured or produced and is not damaged, defective, spoiled or expired.

Section 3.17 Products. All products sold, designed, manufactured, delivered or distributed by Seller in the Business ("Seller Products") are and have been in conformity with all applicable specifications, all express and implied warranties, all contractual commitments and all other applicable Laws, standards and certifications with respect to such particular Seller Product and are and were free from material defects in construction and design, and Seller has no Liability in connection therewith in excess of any warranty reserve established with respect thereto on the Interim Financial Statements. No event has occurred or circumstances exist that would give rise to, or form the basis of, any such Liability. There is and, in the past three (3) years, has not been any product warranty, product liability, product recall, post-sale warning or similar Action against or with respect to the Business or any of the Seller Products and, to the Seller's Knowledge, no such Action has been threatened. Seller has not received any notice of any claims for, and, to Seller's Knowledge, there is no reasonable basis for, any extraordinary product recalls, returns,

warranty obligations or corrective actions relating to any of the Seller Products. Seller does not have, and has not had at any time in the past three (3) years, any Liability arising out of any injury to individuals or property as a result of the ownership, possession or use of any Seller Products. No event has occurred or circumstances exist that would give rise to, or form the basis of, any such Liability. No Person has asserted any claim against Seller under any Law relating to unfair competition, false advertising or similar claims arising out of product warranties, guarantees, specifications, manuals or brochures or other advertising materials used by or in the conduct of the Business.

Section 3.18 Data Privacy. The Processing by Seller of Personal Data has not violated in any material respect (a) any applicable United States or foreign Law relating to data collection, use, privacy, or protection, including the Privacy and Information Security Requirements (collectively, “Data Laws”), (ii) industry standards or the standards of any standards body to which Seller belongs or (iii) the requirements of any Contract, code of ethics or code of conduct to which Seller is a party or by which Seller or any Transferred Asset is bound. Seller has complied in all material respects with, and is presently in compliance in all material respects with, all Data Laws. Seller owns the data it collects or has a valid, contractual right to collect and use the data it collects in the manner it currently uses, and has used, such data. The consummation of the transactions contemplated by this Agreement will not result in the violation of any Data Laws. There is no Action pending against or, to Seller’s Knowledge, threatened against Seller by any Governmental Authority or by any other Person with respect to the Processing of Personal Data by Seller, and there have been no security breaches compromising the confidentiality or integrity of such Personal Data.

Section 3.19 Certain Payments. No Seller (nor, to the Knowledge of Seller, any of its Representatives) (a) has used or is using any corporate funds for any illegal contributions, gifts, entertainment or other unlawful expenses relating to political activity; (b) has used or is using any corporate funds for any direct or indirect unlawful payments to any foreign or domestic governmental officials or employees; (c) has violated or is violating any provision of the Foreign Corrupt Practices Act of 1977; (d) has established or maintained, or is maintaining, any unlawful fund of corporate monies or other properties; or (e) has made any bribe, unlawful rebate, payoff, influence payment, kickback or other unlawful payment of any nature.

Section 3.20 Financial Advisors. Buyer is not and will not become obligated to pay any fee or commission or like payment to any broker, finder, or financial advisor as a result of the consummation of the transactions contemplated by this Agreement based upon any arrangement made by or on behalf of Seller. For the avoidance of doubt, nothing in this Section 3.20 shall affect Buyer’s obligation to pay the Cash Consideration calculated in accordance with Section 2.6(b).

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller as follows:

Section 4.1 Organization. Buyer is duly organized, validly existing and in good standing under the Laws of the jurisdiction of its organization and has all necessary corporate (or

equivalent) power and authority to perform its obligations hereunder and under any Ancillary Agreements to which it is a party.

Section 4.2 Authority. Buyer has the power and authority to execute and deliver this Agreement and each of the Ancillary Agreements to which it will be a party, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by Buyer of this Agreement and each of the Ancillary Agreements to which it will be a party and the consummation by Buyer of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary corporate (or equivalent) action, and this Agreement has been, and upon its execution each of the Ancillary Agreements to which Buyer will be a party will have been, duly executed and delivered by Buyer and assuming due execution and delivery by each of the other Parties hereto or thereto, this Agreement constitutes, and upon its execution each of the Ancillary Agreements to which Buyer will be a party will constitute, the legal, valid and binding obligations of Buyer, enforceable against Buyer in accordance with its respective terms, except as enforcement may be limited by the Enforceability Exceptions.

Section 4.3 No Conflict; Required Filings and Consents.

(a) Assuming that (i) entry is made by the Bankruptcy Court of the Sale Order, (ii) the notices, authorizations, approvals, Orders, permits or consents set forth in Section 3.3(b) of the Disclosure Schedule are made, given or obtained (as applicable) and (iii) any filings required by any applicable federal or state securities or “blue sky” Laws are made, the execution, delivery and performance by Buyer of this Agreement and each of the Ancillary Agreements to which Buyer will be a party, and the consummation of the transactions contemplated hereby and thereby, or compliance by Buyer with any of the provisions hereof, do not and will not (A) conflict with the Organizational Documents of Buyer, (B) conflict with or violate any Law applicable to Buyer or by which any property or asset of Buyer is bound or affected, (C) conflict with or violate any Order of any Governmental Authority or (D) conflict with, result in any breach of, constitute a default (or an event that, with notice or lapse of time or both, would become a default) under, or give rise to a right of termination, modification, notice or cancellation or require any consent of any Person pursuant to, any Contract to which Buyer is a party, except, in each case of clauses (A) through (D), as would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the ability of Buyer to perform its obligations under this Agreement.

(b) Buyer is not required to file, seek or obtain any notice, authorization, approval, order, permit or consent of or with any Governmental Authority in connection with the execution, delivery and performance by Buyer of this Agreement and each of the Ancillary Agreements to which it will be a party or the consummation of the transactions contemplated hereby or thereby, except as would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the ability of Buyer to perform its obligations under this Agreement.

Section 4.4 Absence of Litigation. There is no Action pending or, to the knowledge of Buyer, threatened by or against Buyer that, if adversely determined, would (a) prevent or materially restrict, impede or delay the performance by Buyer of its obligations under this

Agreement or (b) reasonably be expected to have, individually or in the aggregate, a material adverse effect on the ability of Buyer to perform its obligations under this Agreement.

Section 4.5 Qualification.

(a) To the knowledge of Buyer, there exist no facts or circumstances that would cause, or be reasonably expected to cause, Buyer not to qualify as a “good faith” purchaser under Section 363(m) of the Bankruptcy Code.

(b) As of the Closing, Buyer will be capable of satisfying the conditions contained in Sections 365(b)(1)(C) and 365(f)(2)(B) of the Bankruptcy Code with respect to the Transferred Contracts, if any, that are being transferred to it.

Section 4.6 Brokers. No broker, finder or investment banker is entitled to any fee, commission or expense from Buyer that would be payable by Seller in connection with the transactions contemplated hereby.

Section 4.7 Sufficient Funds. Buyer will have available to it at the Closing sufficient funds to satisfy all obligations of Buyer under this Agreement to be paid or discharged at the Closing, including the payment of the Cash Consideration and the payment of all fees, costs and expenses to be paid by Buyer at the Closing related to the transactions contemplated hereby.

ARTICLE V

BANKRUPTCY COURT MATTERS

Section 5.1 Debtor-in-Possession. Through the Closing, Seller shall continue to operate the Business as debtor-in-possession pursuant to the Bankruptcy Code and any Order of the Bankruptcy Court and shall be authorized to utilize cash collateral to fund such operations.

Section 5.2 Bidding Procedures and Sale Order. Seller shall file the Sale Motion, that includes the Bidding Procedures, as soon as practicable following the Execution Date, if and only if the Initial Deposit has been deposited into the IOLTA maintained by Seller’s legal counsel in accordance with Section 2.6(a). The Sale Order shall (a) be in form and substance acceptable to the Parties and (b) among other things, (i) approve, pursuant to Sections 105, 363, and 365 of the Bankruptcy Code, (A) the execution, delivery and performance by Seller of this Agreement, (B) the sale of the Transferred Assets to Buyer on the terms set forth herein, free and clear of all Encumbrances (other than Permitted Encumbrances), and (C) the performance by the Parties of their respective obligations under this Agreement and (ii) find that Buyer is a “good faith” purchaser within the meaning of Section 363(m) of the Bankruptcy Code and the sale is entitled to the protections afforded under Section 363(m) of the Bankruptcy Code.

Section 5.3 Cooperation with Respect to Bankruptcy Court Approvals. Buyer shall take such commercially reasonable actions as are reasonably requested by Seller to assist in obtaining entry by the Bankruptcy Court of the Sale Order, including approval of the Bidding Procedures, including furnishing affidavits or other documents or information for filing with the Bankruptcy Court for purposes of, among other things: (a) demonstrating that Buyer is a “good faith” purchaser within the meaning of Section 363(m) of the Bankruptcy Code; and (b)

establishing “adequate assurance of future performance” within the meaning of Section 365 of the Bankruptcy Code.

Section 5.4 Bankruptcy Court Filings.

(a) The Parties shall reasonably cooperate and communicate with each other concerning the Sale Order and any other Orders of the Bankruptcy Court entered after the date hereof relating to the transactions contemplated herein, and the bankruptcy proceedings in connection therewith.

(b) Seller shall, to the extent permitted by applicable Law, provide Buyer with copies of any material applications, pleadings, notices, proposed Orders and other documents filed by Seller in the Bankruptcy Case that relate in any material respect to this Agreement, the Transferred Assets, or Buyer at least twenty-four (24) hours prior to the making of any such filing or submission to the Bankruptcy Court, and Seller may incorporate Buyer’s reasonable comments related thereto.

ARTICLE VI

COVENANTS

Section 6.1 Conduct of Business Prior to the Closing. From the Execution Date until the Closing Date or earlier termination of this Agreement, except (1) as otherwise expressly required by this Agreement, (2) as expressly set forth in Section 6.1 of the Disclosure Schedule, (3) as required by Law (including the Bankruptcy Code) or required by any Order, including any limitations on operations imposed by the Bankruptcy Court or (4) with the prior written consent of Buyer:

(a) Seller shall conduct the Business in the Ordinary Course of Business and preserve the material business relationships with customers, suppliers, distributors and others with whom Seller deals in the Ordinary Course of Business (including timely payment of post-petition accounts payable, purchasing and maintaining appropriate levels of Inventory, performing all required maintenance and repairs, making capital expenditures and collecting receivables); and

(b) Seller shall not:

(i) sell, transfer, lease, sublease, license, abandon, encumber or otherwise dispose of any Transferred Assets, other than Inventory sold or disposed of in the Ordinary Course of Business;

(ii) make any payments, transfer or otherwise dispose of any Cash and Cash Equivalents, other than payments in respect of accounts payable in the Ordinary Course of Business;

(iii) acquire any corporation, partnership, limited liability company, other business organization or division thereof related to or affecting the Business or the Transferred Assets or any material assets, except acquisitions of raw materials in the Ordinary Course of Business;

(iv) fail to maintain Inventory levels consistent with Inventory levels currently maintained by Seller in the Ordinary Course of Business;

(v) enter into any joint venture agreement that involves a sharing of profits, cash flows, expenses or losses with other Persons related to or affecting the Business or the Transferred Assets;

(vi) reject, terminate (other than by expiration in the ordinary course in accordance with its terms), modify, amend or waive performance under any Transferred Contract or seek Bankruptcy Court approval to do so;

(vii) make any loans, advances or capital contributions to, or investments in, any other Person;

(viii) subject any of the Transferred Assets to any Encumbrance other than Permitted Encumbrances;

(ix) incur, guarantee or assume any indebtedness for borrowed money, enter into any capital lease or guarantee any indebtedness;

(x) use the sale theme “going out of business”;

(xi) enter into any Contract (i) that is or would reasonably be expected to be material to the Business (including any Contract that limits or restricts the conduct or operations of the Business or Buyer following the Closing) or (ii) with any equity holder, officer or director of Seller or any Affiliate thereof;

(xii) change or modify any material financial accounting practice, policy or procedure, except as required by GAAP or applicable Law;

(xiii) except as required by applicable Law, (1) make, revoke or change any material Tax election or method of accounting with respect to Taxes, (2) file any amended Tax Return, (3) enter into any closing agreement or settle or compromise any Tax claim or assessment, (4) consent to any extension or waiver of the limitation period applicable to any claim or assessment with respect to Taxes, (5) fail to file any Tax Return or pay any Taxes when due, or (6) incur any Tax Liability other than in the Ordinary Course of Business; in each case to the extent such action could adversely affect Buyer or any of its Affiliates in a Tax period that ends after the Closing Date;

(xiv) terminate, amend or fail to renew, obtain or preserve any material Permit;

(xv) fail to maintain in full force and effect any filings necessary to maintain the Transferred IP;

(xvi) write up, write down or write off the book value of any asset other than in the Ordinary Course of Business;

(xvii) seek to accelerate the receipt of any accounts receivable, by means of discount or otherwise;

(xviii) ship, sell or transfer any Inventory during the period between the Inventory Count and the Closing; or

(xix) agree or commit to any of the foregoing.

Notwithstanding anything in this Section 6.1 to the contrary, if Buyer fails to deposit the Initial Deposit into the IOLTA maintained by Seller's Counsel within three (3) Business Days following the Execution Date, then Seller's obligations under this Section 6.1 shall be stayed until such time as Buyer has made such deposit.

Section 6.2 Covenants Regarding Information.

(a) From the date hereof until the Closing Date or earlier termination of this Agreement, upon reasonable request and without limiting Buyer's rights under Section 2.7, Seller shall afford Buyer and its Representatives full access to the properties, offices, warehouses, fulfillment centers and other facilities, books and records of Seller, solely with respect to the Business, and shall furnish Buyer with such financial, operating and other data and information, and access to all the officers, employees, customers, vendors, accountants and other Representatives of Seller, solely with respect to the Business, as Buyer may reasonably request in connection with the transactions contemplated by this Agreement. Notwithstanding anything to the contrary in this Agreement, Seller shall not be required to provide access to or disclose any information to Buyer or its Representatives if such access or disclosure would violate applicable Law; provided that the Parties shall reasonably cooperate in seeking to find a way to allow disclosure of such information, except to the extent doing so would (in the opinion of outside counsel to Seller) violate applicable Law.

(b) The information provided pursuant to this Section 6.2 prior to Closing will be used solely for the purpose of effecting the transactions contemplated hereby, and will be governed by the terms and conditions of the Confidentiality Agreement, which Confidentiality Agreement shall not terminate upon the execution of this Agreement notwithstanding anything to the contrary therein. The Confidentiality Agreement shall terminate automatically, and with no further action required of any party thereto, upon the Closing.

(c) From and after the Closing, until the closing of the Bankruptcy Case, Buyer will provide Seller and its Representatives with reasonable access, during normal business hours and upon reasonable advance written notice, subject to reasonable denials of access or delays to the extent any such access would unreasonably interfere with the operations of either Buyer or the Business, to the books and records and other documents (for the purpose of examining and copying) that are in its possession relating to the Transferred Assets or the Assumed Liabilities with respect to periods or occurrences prior to the Closing Date, for the purposes of (i) complying with the requirements of any Governmental Authority, including the Bankruptcy Court, (ii) the closing of the Bankruptcy Case and the wind down of Seller's estate (including reconciliation of claims and preparation of Tax Returns or other Tax proceedings and the functions of any trusts established under a Chapter 11 plan of Seller or any other successors of Seller) or (iii) complying

with applicable Laws; provided that Buyer shall not be obligated to provide any such access that would, in the reasonable, good faith judgment of Buyer, conflict with applicable Law. Unless otherwise consented to in writing by Seller, Buyer will not, for a period of three (3) years following the Closing Date, destroy, alter or otherwise dispose of any of such books and records without first offering to surrender to Seller such books and records or any portion thereof that Buyer may intend to destroy, alter or dispose of.

Section 6.3 Confidentiality. At all times from and after the Closing, Seller shall, and shall cause its Affiliates and Representatives to, hold in confidence and not use any and all Confidential Information, whether written or oral (except the use of Confidential Information for the exclusive benefit of Buyer in the fulfillment of any such Person's duties under the Consulting Agreements). If Seller or any of its Affiliates or Representatives is compelled to disclose any Confidential Information by judicial or administrative process or by other requirements of Law, Seller shall promptly notify Buyer in writing and shall disclose, or shall cause its Affiliates or Representatives to disclose, only that portion of such Confidential Information which such Person is advised by his, her or its counsel in writing is legally compelled to be disclosed; provided that Seller shall, or shall cause its Affiliates or Representatives to, at Buyer's cost, reasonably cooperate with Buyer to obtain an appropriate protective order or other reasonable assurance that confidential treatment will be accorded such information.

Section 6.4 Further Assurances.

(a) Subject to the terms and conditions of this Agreement, each of the Parties shall, and shall cause its Affiliates to, cooperate with each other Party and promptly take, or cause to be taken, any and all actions, and to do, or cause to be done, all things reasonably necessary, proper or advisable under applicable Law or otherwise to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement and the Ancillary Agreements, in accordance with the terms hereof and thereof. This Section 6.4(a) does not apply with respect to Taxes.

(b) From time to time, whether at or following the Closing, Seller and Buyer shall execute, acknowledge and deliver all such further conveyances, notices, assumptions and releases and such other instruments, and shall take such further actions, as may be reasonably necessary or appropriate to vest in Buyer all the right, title, and interest in, to or under the Transferred Assets, to provide Buyer and Seller all rights and obligations to which they are entitled and subject pursuant to this Agreement and the Ancillary Agreements, and to otherwise make effective as promptly as practicable the transactions contemplated by this Agreement and the Ancillary Agreements. Each of the Parties will take, or cause to be taken, all actions, and do, or cause to be done, all things necessary, proper or advisable under applicable Laws to cause all of the obligations imposed upon it in this Agreement to be duly complied with and to cause all conditions precedent to such obligations to be satisfied.

Section 6.5 Refunds and Remittances; Wrong Pockets.

(a) After the Closing: (i) if Seller or any of its Affiliates receives any refund or other amount that is a Transferred Asset or is otherwise properly due and owing to a Buyer in accordance with the terms of this Agreement, Seller promptly shall remit, or shall cause to be

remitted, such amount to Buyer in accordance with this Agreement and (ii) if Buyer or any of its Affiliates receive any refund or other amount that is an Excluded Asset or is otherwise properly due and owing to Seller in accordance with the terms of this Agreement, Buyer promptly shall remit, or shall cause to be remitted, such amount to Seller in accordance with this Agreement.

(b) If, at any time after the Closing, it is established that any asset, property, right, Contract or claim (or any portion thereof) which was not included in the Transferred Assets, but which should have been a Transferred Asset, is held by Seller or any of its Affiliates, then Seller shall, or shall cause such Affiliate to, for no additional consideration: (i) execute all instruments, agreements or documents as may be reasonably necessary for the purpose of transferring the relevant interests in such asset, property, right, Contract or claim (or portion thereof) held by Seller or such Affiliate to Buyer; (ii) do all such further acts or things as may be reasonably necessary to validly effect the transfer and vest the relevant interest in such asset, property, right, Contract or claim (or portion thereof) in Buyer; (iii) ensure that Seller or such Affiliate shall hold such asset, property, right, Contract or claim (or portion thereof), and any monies, goods or other benefits arising after the date of this Agreement by virtue of it, as agent of and trustee for Buyer, and allow Buyer to have full enjoyment and use of such asset, property, right, Contract or claim (or portion thereof); and (iv) ensure that Seller or such Affiliate shall promptly on receipt pay or deliver such monies, goods or other benefits (without reduction or set off) to Buyer.

Section 6.6 Public Announcements and Communications. From the date hereof through the Closing Date, neither Buyer, on the one hand, nor Seller, on the other hand, shall issue any public report, statement, press release or otherwise make any public statement regarding this Agreement or the transactions contemplated hereby without the prior written consent of the other Party, unless otherwise required by applicable Law, in which case the disclosing Party shall coordinate and consult with the other Party with respect to the timing, basis, scope and content before issuing any such report, statement or press release; provided, however, that nothing in this Section 6.6 shall (a) delay any required filing or other disclosure with the Bankruptcy Court or any other Governmental Authority or otherwise hinder any Party's timely compliance with all Laws (including the Bankruptcy Code) or (b) prohibit any public announcement containing information that is otherwise generally available to the public (including as a result of any filing or other disclosure with the Bankruptcy Court or any other Governmental Authority). From the date hereof through the Closing, Buyer and Seller shall use commercially reasonable efforts to develop mutually agreeable messaging for any communications to employees, customers, vendors or suppliers, or as may be necessary to obtain any required third-party consent or approval in connection with this Agreement. Seller shall consult with, and incorporate all reasonable comments of, Buyer before making any material communications to any employees, customers, vendors or suppliers, or as may be necessary to obtain any required third-party consent or approval in connection with this Agreement.

Section 6.7 Collection of Accounts Receivable; Seller Bank Accounts.

(a) From and after the Closing, Seller hereby (i) authorizes Buyer and any Buyer designee to open any and all mail addressed to Seller relating to, or believed to be relating to, the Business, the Transferred Assets or the Assumed Liabilities and delivered to the offices of the Business or otherwise to Buyer or any Buyer designee and (ii) appoints Buyer, any Buyer

designee or its attorney-in-fact to endorse, cash and deposit any monies, checks or negotiable instruments received by Buyer of any Buyer designee with respect to Transferred A/R or accounts receivable relating to work performed or products delivered by Buyer after the Closing, as the case may be, made payable or endorsed to Seller or Seller's order, for Buyer's or any Buyer designee's own account.

(b) No later than three (3) Business Days following the Closing Date, Seller will, and will cause its Affiliates to, deliver written instructions to all customers with accounts receivable constituting Transferred A/R to deliver all payments with respect thereto directly to Buyer's designated bank account (the "Designated A/R Account"). Except as ordered by the Bankruptcy Court, from and after the Closing and continuing until the earlier of (i) such time as all open customer invoices (including all invoices in respect of Transferred A/R) are paid and all customers of the Business have migrated to the Designated A/R Account (or such other account as may be specified in Buyer's payment remittance advice) and (ii) the date that is one hundred twenty (120) days following the Closing Date, Seller shall maintain all Seller Bank Accounts that receive or may receive Transferred A/R or other payments from customers of the Business following the Closing Date and shall continue to accept and process all such payments received, and will promptly, and in any event no later than one (1) Business Day following receipt of any such payment, remit such funds to the Designated A/R Account. Seller acknowledges and understands that any proceeds or funds it or any of its Affiliates receives or holds that are in respect of any Transferred A/R or any other Transferred Asset or that are otherwise due to Buyer pursuant to this Agreement are held in trust for Buyer and shall at all times remain the property of Buyer, and at no time shall Seller or any of its Affiliates have any interest in such proceeds or funds, regardless of how or where held. On the Closing Date as promptly as practicable following the Closing, Seller shall add the Persons designated by Buyer in Section 6.7(b) of the Disclosure Schedule as "authorized signatories" on each of the Seller Bank Accounts to which any such payments or reimbursements are or may be made, granting each such Person the authority to access and manage the Seller Bank Accounts and deposit and withdraw money therein and therefrom, and, upon request by Buyer following the Closing, Seller shall promptly remove any other Persons designated as "authorized signatories". After the Closing, Seller will refer to Buyer all inquiries relating to the Business.

(c) From and after the Closing, except as agreed between Buyer and Seller, Buyer or any Buyer designee shall have the sole authority to bill and collect Transferred A/R and accounts receivable relating to work performed by Buyer after the Closing.

Section 6.8 Transition of Permits. To the extent that Buyer has not obtained all of the Permits included in the Transferred Assets that are necessary for Buyer to take title to all of the Transferred Assets at the Closing and to operate all aspects of the Business as of immediately following the Closing in the same manner in all material respects as it was operated by Seller immediately prior to the Closing, Seller shall, to the extent permitted by applicable Laws, use commercially reasonable efforts to maintain after the Closing such Permits that Buyer reasonably requests, at Buyer's sole expense, until the earlier of such time as Buyer has obtained such Permits and six (6) months following the Closing (or the remaining term of any such Permit or the closing of the Bankruptcy Case, if shorter).

Section 6.9 No-Shop. From and after the date hereof and continuing until such time as the Bankruptcy Court has issued the Sale Order which includes the Bidding Procedures, Seller shall not, and shall not authorize or permit any of its Affiliates or any of its or their respective Representatives to, directly or indirectly, encourage, solicit, initiate, or facilitate any inquiries, discussions, negotiations, proposals or offers in connection with an Acquisition Proposal (including by way of furnishing non-public information or assistance); *provided, however*, that Seller shall be entitled to consider an inbound Acquisition Proposal and discuss and negotiate any such inbound Acquisition Proposal with the Person (and its advisors) making such inbound Acquisition Proposal if Seller reasonably determines that doing so is required under the Bankruptcy Code or other applicable Law or is necessary for any director, manager or officer of Seller to carry out any of his or her fiduciary duties to Seller or its estate.

Section 6.10 Seller Marks; Name Change. Seller acknowledges and agrees that, from and after the Closing, Buyer shall have any and all rights that Seller and its Affiliates had to the use of the names set forth on Schedule 6.10 of the Disclosure Schedule or any derivation thereof or similar names, and any service marks, trademarks, trade names, d/b/a names, fictitious names, identifying symbols, logos, emblems or signs containing or comprising the foregoing, or otherwise used in the Business, including any name or mark confusingly similar thereto (collectively, the “Seller Marks”), and Seller shall not, and Seller shall not permit any of its Affiliates to, use such name or any variation or simulation thereof, except as necessary to conduct the wind up of the Business. In furtherance of the foregoing, as promptly as practicable, but in no event later than ten (10) Business Days following the Closing Date, Seller shall (a) cause the names of the Seller and its Affiliates to be changed to names not containing any of the words set forth on Section 6.10 of the Disclosure Schedule, as applicable, (b) terminate each assumed name filing of Seller and each of its Affiliates used or related to the Business or the Transferred Assets and (c) remove, strike over or otherwise obliterate all Seller Marks from all materials owned by Seller or any of its Affiliates and used or displayed publicly by Seller or any of its Affiliates that are not included in the Transferred Assets, including any sales and marketing materials, displays, signs, promotional materials and other materials; *provided* that Buyer and its Representatives shall assist Seller in the preparation and filing of all documents necessary to effect the actions set forth in the foregoing clauses (a) and (b). Subject to the Bankruptcy Court’s approval, the Sale Order shall effectuate a change to the caption of the Bankruptcy Case to exclude the word “MaddieBrit”. The Parties agree that an acceptable name change in the Bankruptcy Case for Seller is “MB in Liquidation”.

Section 6.11 Notice of Developments. Seller and Buyer will give prompt written notice to the other Party of (a) the existence of any fact or circumstance, or the occurrence of any event, of which such Party has knowledge that would reasonably be likely to cause a condition to a Party’s obligations to consummate the transactions contemplated hereby set forth in Article VIII not to be satisfied as of a reasonably foreseeable Closing Date or (b) the receipt of any notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement; *provided, however*, that the delivery of any such notice pursuant to this Section 6.11 shall not be deemed to amend or supplement this Agreement (or cure any breach of a representation, warranty or covenant in this Agreement) and the failure to deliver any such notice shall not constitute a waiver of any right or condition to the consummation of the transactions contemplated hereby by any Party.

Section 6.12 Customer and Vendor Relations. Promptly following the Execution Date, Seller shall, and shall cause its Representatives (not including Seller's bankruptcy counsel) to, (a) use commercially reasonable efforts to schedule and conduct conference calls with Pacific Sands Inc., Michael Arko and the business relations of Seller set forth on Section 8.3(h) of the Disclosure Schedule for the purpose of introducing Buyer and the proposed sale under this Agreement to each, (b) participate in said discussions with Buyer and such business relations and (c) cooperate with Buyer in good faith to obtain reasonable assurance that such business relations will continue to conduct business with the Business (as operated by Buyer) following the Closing, either on substantially the same terms as such business was conducted with Seller prior to the Petition Date, or such other terms as are satisfactory to Buyer. In furtherance of and without limiting the foregoing, Seller shall, and shall cause its Representatives (not including Seller's bankruptcy counsel) to, use commercially reasonable efforts to (i) obtain executed copies of any current Contracts between Seller and its customers, vendors, suppliers, distributors and other business relations (to the extent written copies of such Contracts exist, and executed copies have not been provided to Buyer prior to the Execution Date) for Buyer's review in order to permit Buyer to determine whether or not to include such Contracts as Transferred Contracts hereunder and/or (ii) at Buyer's option, cooperate with Buyer in good faith to negotiate new Contracts directly between Buyer and any such customers, vendors, suppliers, distributors and other business relations.

Section 6.13 Transition Services.

(a) Following the Closing, Seller will make available or provide to Buyer the services described in Section 6.13 of the Disclosure Schedule (the "Transition Services") for the respective periods set forth therein to assist Buyer and its Affiliates in connection with the continued operation of the Business and the Transferred Assets in a substantially similar manner as the Business and the Transferred Assets were operated in the Ordinary Course of Business prior to the Closing, while Buyer obtains replacement for the Transition Services. Buyer agrees that it shall take commercially reasonable steps (including assisting Seller in the transfer of responsibility for such Transition Services to Buyer and its Affiliates) to provide itself or to obtain its own services to replace the Transition Services (including by entering directly into Contracts with applicable service providers) as promptly as practicable. Following the Closing, Buyer may request in writing that Seller make available services, in addition to those set forth in Section 6.13 of the Disclosure Schedule, that were provided or obtained by Seller in connection with the Business or the Transferred Assets in the Ordinary Course of Business prior to the Closing ("Omitted Services"). Any Omitted Service provided hereunder shall be deemed a Transition Service within the scope of this Section 6.13 and shall be charged to Buyer from the date such Omitted Service is first provided to Buyer. The Parties shall amend Section 6.13 of the Disclosure Schedule to include any such Omitted Services, with such payment and other terms as shall be agreed between the Parties in good faith.

(b) Seller shall provide the Transition Services at the same standard of quality, volume and scope with which such Transition Services were provided in the Ordinary Course of Business prior to the Closing. Seller agrees to indemnify, defend and hold harmless Buyer and its Affiliates from and against any and all losses to the extent arising out of any gross negligence or willful misconduct of Seller in the provision of the Transition Services.

(c) Each Party shall, and shall cause its representatives to, cooperate with the other Party and its representatives in connection with the performance of the Transition Services; provided, that such cooperation shall not unreasonably disrupt the normal operations of such Party or its Affiliates. Without limiting the foregoing, each Party shall provide or cause to be provided to the other Party and its representatives access to such Party's office space, telecommunications and computer equipment, IT systems and other facilities and equipment as reasonably necessary to enable Seller to perform the Transition Services and to enable Buyer to monitor and transfer responsibility for such Transition Services. Each Party shall comply with any reasonable security, access and confidentiality restrictions and procedures that are communicated to such Party prior to such access.

(d) The Transition Services will be charged to Buyer at the amount set forth for each Transition Service in Section 6.13 of the Disclosure Schedule. Seller shall invoice Buyer in arrears on a monthly basis, and Buyer shall pay all invoices within thirty (30) days after receipt thereof. Each invoice shall include, in reasonable detail, a breakdown of fees and expenses being charged for each of the Transition Services rendered during such month. Buyer may withhold payment of portions of any invoice to the extent such portions are reasonably in dispute and provided that Buyer has notified Seller in writing of the nature of such dispute within such thirty (30) day period. The Parties shall cooperate in good faith to promptly resolve any disputed amounts.

(e) Buyer may terminate any particular Transition Service (in whole or in part) for its convenience upon at least five (5) days' prior written notice to Seller; provided, that Buyer shall pay all amounts invoiced by Seller up to and including the date of termination.

(f) The Parties acknowledge and agree that they are separate entities, each of which has entered into the agreements set forth in this Section 6.13 for independent business reasons. The relationship of the Parties hereunder is that of independent contractors, and nothing contained herein shall be deemed to create a joint venture, partnership or any other relationship between the Parties. Employees performing Transition Services hereunder do so on behalf of, under the direction of, and as employees of, Seller.

Section 6.14 Post-Closing Actions. Notwithstanding anything stated in this Agreement, any and all actions of Seller required under this Article VI following the Closing Date (other than any action required to comply with Section 6.1(a)) shall be done at Buyer's expense and only done if not expressly prohibited by the Bankruptcy Court; provided that (a) Seller shall obtain Buyer's prior written consent (email being sufficient) prior to incurring (i) any individual cost or expense in excess of \$1,000 and (ii) any aggregate costs and expenses in excess of \$5,000, and Buyer shall have no obligation to reimburse Seller for any costs or expenses in excess of such amounts that arise or are incurred by Seller if Seller has not first obtained such consent, and (b) Seller shall, upon request by Buyer, provide an invoice or other reasonable documentation of each cost or expense that arises or has been incurred; provided further that payments in respect of Transition Services provided by Seller pursuant to Section 6.13 shall be governed by the terms thereof (including Section 6.13 of the Disclosure Schedule) and shall not be subject to this Section 6.14.

ARTICLE VII

TAX MATTERS

Section 7.1 Transfer Taxes. Any and all sales, harmonized sales, use, property transfer or gains, real estate or land transfer or gains, documentary, stamp, registration, recording, filing, value-added goods and services or other similar Taxes (“Transfer Taxes”) payable solely as a result of the sale or transfer of the Transferred Assets and the assumption of the Assumed Liabilities pursuant to this Agreement shall be borne by Seller. Seller and Buyer shall use commercially reasonable efforts and cooperate in good faith to mitigate, reduce, or eliminate any such Transfer Taxes, and shall each sign and file (or cause its respective Affiliates to sign and file) all documentation with the relevant Governmental Authority relating to such Transfer Taxes as it may be required to sign or file under applicable Law. Seller shall pay any Transfer Taxes to the relevant Governmental Authority as required by applicable Law. Seller shall prepare and file all necessary Tax Returns or other documents with respect thereto and shall promptly provide a copy of any such Tax Returns or other documents to Buyer.

Section 7.2 Tax Cooperation. Buyer and Seller agree to furnish or cause to be furnished to each other, upon reasonable request, as promptly as practicable, such information (including access to books and records relating to Taxes) and assistance relating to the Business, the Transferred Assets and the Assumed Liabilities as is reasonably necessary for determining any Liability for Taxes, the filing of all Tax Returns, the making of any election relating to Taxes, the preparation for any audit by any Governmental Authority and the prosecution or defense of any claim, suit or proceeding relating to any Tax. Any reasonable expenses incurred in furnishing such information or assistance pursuant to this Section 7.2 shall be borne by the Party requesting it.

Section 7.3 Straddle Period Allocation. For all purposes under this Agreement involving the determination of Taxes (including the determination of Excluded Taxes), in the case of Taxes that are payable with respect to any Straddle Period, the portion of any such Tax that is allocable to the portion of the Straddle Period ending on the Closing Date shall be (a) in the case of Taxes imposed on a periodic basis with respect to any assets or otherwise measured by the level of any item (excluding, for the avoidance of doubt, any income, gross receipts, or sales or use Taxes, but including franchise fees) deemed to be the amount of such Taxes for such entire taxable period multiplied by a fraction the numerator of which is the number of calendar days in the taxable period ending on the close of the Closing Date and the denominator of which is the number of calendar days in the entire taxable period, and (b) in the case of all other Taxes, deemed equal to the amount which would be payable if the taxable period ended at the end of the Closing Date. To the extent not filed on or prior to the Closing Date, all Tax Returns with respect to the Transferred Assets for any Straddle Period shall be filed by the party that has the primary obligation to do so under applicable Law, and Seller and Buyer shall cooperate with each other in the preparation and filing of any such Tax Returns. The amount of the Taxes for which Seller is liable with respect to a Straddle Period shall be equal to the amount of Taxes allocated to the portion of the Straddle Period ending on the Closing Date. For the avoidance of doubt, any Taxes attributable to the portion of a Straddle Period ending on the Closing Date, for which Seller is liable under this Section 7.3, shall not constitute Assumed Liabilities.

Notwithstanding any of the foregoing Sections 7.1, 7.2 or 7.3, the amount of cash included in the calculation of Cash Consideration attributable to the Sales Tax Reserve shall not be impacted. The Parties agree that the Sales Tax Reserve is not an Assumed Liability.

ARTICLE VIII

CONDITIONS TO CLOSING

Section 8.1 General Conditions. The respective obligations of Buyer and Seller to consummate the transactions contemplated hereby shall be subject to the satisfaction, at or prior to the Closing, of each of the following conditions, any of which may, to the extent permitted by applicable Law, be waived in writing by any Party in its sole discretion (provided that such waiver shall only be effective as to the obligations of such Party):

(a) No Law or Order (whether temporary, preliminary or permanent) shall be in effect that enjoins, restrains, makes illegal or otherwise prohibits the consummation of the transactions contemplated by this Agreement (any such Law or Order, a "Legal Restraint");

(b) The Bankruptcy Court shall have entered the Sale Order, the Sale Order shall not have been stayed, reversed or modified without the consent of the Parties, and the Sale Order shall be a Final Order; and

(c) The Bankruptcy Court shall have entered the BP Settlement Agreement Order, the BP Settlement Agreement Order shall not have been stayed, reversed or modified without the consent of the Parties, and the BP Settlement Agreement Order shall be a Final Order.

Section 8.2 Conditions to Obligations of Seller. The obligations of Seller to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction, at or prior to the Closing, of each of the following conditions, any of which may be waived in writing by Seller in its sole discretion:

(a) The representations and warranties of Buyer contained in this Agreement shall be true and correct in all material respects as of the date of this Agreement and as of the Closing, with the same force and effect as if made at and as of the Closing (other than those representations and warranties that address matters only as of a particular date or only with respect to a specific period of time, which need only be true and correct in all material respects as of such date or with respect to such period);

(b) Buyer shall have performed or complied in all material respects with all agreements and covenants required by this Agreement to be performed or complied with by Buyer at or prior to the Closing; and

(c) Seller shall have received the documents listed in Section 2.8(c).

Section 8.3 Conditions to Obligations of Buyer. The obligations of Buyer to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction, at or prior to the Closing, of each of the following conditions, any of which may be waived only in a writing executed by Buyer in its sole discretion:

(a) The representations and warranties of Seller contained in this Agreement, other than the Fundamental Representations, shall be true and correct in all material respects (without giving effect to any “materiality” qualifiers set forth therein) as of the date of this Agreement and as of the Closing, with the same force and effect as if made at and as of the Closing (other than those representations and warranties that address matters only as of a particular date or only with respect to a specific period of time, which need only be true and correct in all material respects (without giving effect to any “materiality” qualifiers set forth therein) as of such date or with respect to such period);

(b) The Fundamental Representations contained in this Agreement shall be true and correct in all respects as of the date of this Agreement and as of the Closing, with the same force and effect as if made at and as of the Closing (other than those Fundamental Representations that address matters only as of a particular date or only with respect to a specific period of time, which need only be true and correct in all respects as of such date or with respect to such period);

(c) Seller shall have performed or complied in all material respects with all agreements and covenants required by this Agreement to be performed or complied with by Seller at or prior to the Closing;

(d) No Material Adverse Effect shall have occurred after the date of this Agreement;

(e) Buyer shall have received the documents listed in Section 2.8(b);

(f) The aggregate amount of (i) Transferred A/R (as finally calculated pursuant to Section 2.7 and set forth on the Final Calculation Statement), plus (ii) Purchased Inventory, plus (iii) Closing Cash and Cash Equivalents, minus (iv) the amount of the Assumed A/P, minus (v) the amount of the Assumed Purchase Orders, minus (vi) the Sales Tax Reserve shall be greater than \$2,622,080.00;

(g) All Cure Claims in respect of all of the Transferred Contracts shall have been finally agreed and settled with the applicable Contract Counterparties;

(h) With respect to each customer, vendor or other business relation of Seller set forth in Section 8.3(h) of the Disclosure Schedule, Buyer shall have either (i) received an executed copy of the current Contract between Seller and such customer, vendor or other business relation on terms satisfactory to Buyer (and Buyer shall have had the opportunity to designate such Contract as a Transferred Contract) or (ii) negotiated and entered into a new Contract directly with such customer, vendor or other business relation on terms satisfactory to Buyer;

(i) The applicable parties shall have performed or complied in all material respects with all agreements and covenants required by the BP Settlement Agreement to be performed or complied with at or prior to the Closing, and the BP Settlement Agreement shall be in full force and effect.

Section 8.4 No Frustration of Closing Conditions. Neither Buyer nor Seller may rely on the failure of any condition to Buyer’s or Seller’s respective obligations to consummate the transactions contemplated hereby set forth in Sections 8.1, 8.2 or 8.3, as the case may be, to be

satisfied if such failure was caused by such Party's or such Party's Affiliate's or Representative's breach of a representation, warranty or covenant hereunder. Notwithstanding anything stated in this Agreement, under no circumstances shall the Bankruptcy Court's refusal to enter the Sale Order or the BP Settlement Order be considered a breach of this Agreement by Seller, so long as Seller and its Representatives did not act or fail to act in willful bad faith to frustrate the entry of such orders (however, the Parties agree that not filing an appeal of an order denying entry of the BP Settlement Order or the Sale Order shall not be a willful, bad faith act or inaction). The Parties are informed that Seller's bankruptcy counsel is not retained for the filing of any appeal.

ARTICLE IX

TERMINATION

Section 9.1 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by mutual written consent of both Buyer and Seller;

(b) by written notice by either Seller or Buyer to the other Party, if:

(i) a Legal Restraint is in effect that has become final and nonappealable; provided that no Party may terminate this Agreement pursuant to this Section 9.1(b)(i) if the Legal Restraint was primarily caused by the breach of any of such Party's representations, warranties, covenants or agreements contained herein;

(ii) the Closing shall not have occurred on or before February 10, 2025 (the "Outside Date"); provided that no Party shall be permitted to terminate this Agreement pursuant to this Section 9.1(b)(ii) if the failure of the Closing to have occurred by the Outside Date was caused by a breach of any of such Party's representations, warranties, covenants or agreements contained herein; or

(iii) Seller consummates an Alternative Transaction.

(c) by Buyer upon written notice to Seller, if:

(i) at any time, Seller shall have breached or violated its representations, warranties or covenants set forth in this Agreement in a manner that would prevent the satisfaction of the conditions to Closing set forth in Sections 8.3(a), 8.3(b) or 8.3(c), and (except in the case of a breach of the obligation to close within two (2) Business Days after the date contemplated in Section 2.8, in which case such two (2) Business Day period shall apply) such breach or violation shall not have been cured by the earlier of (A) ten (10) days after written notice thereof has been given by Buyer to Seller and (B) the Outside Date; provided that Buyer shall not be entitled to terminate the Agreement pursuant to this Section 9.1(c)(i) if Buyer is then in breach of any of its obligations under this Agreement such that the conditions in Section 8.2(a) or (b) would not be satisfied;

(ii) the Bankruptcy Case is dismissed or converted to a case under chapter 7 of the Bankruptcy Code, and neither such dismissal nor conversion expressly contemplates the transactions provided for in this Agreement;

(iii) Seller withdraws or seeks authority to withdraw the Sale Order;

(iv) Seller enters into any Alternative Transaction;

(v) a Material Adverse Effect has occurred;

(vi) the aggregate amount of (A) Transferred A/R (as finally calculated pursuant to Section 2.7 and set forth on the Final Calculation Statement), plus (B) Purchased Inventory, plus (C) Closing Cash and Cash Equivalents, minus (D) the amount of the Assumed A/P, minus (E) the amount of the Assumed Purchase Orders, minus (F) the Sales Tax Reserve is less than or equal to \$2,622,080.00;

(vii) Seller publicly announces any plan of reorganization or plan of liquidation or supports any such plan filed by any third party (including the Plan of Reorganization currently on file in the Bankruptcy Case, Dkt. no. 120), other than any such transaction that would not prevent or materially delay the Closing or the transactions contemplated hereby from occurring in accordance with the terms of this Agreement; or

(viii) the Sale Order or the BP Settlement Agreement Order has not been entered on or before January 24, 2025; provided that Buyer shall not be permitted to terminate this Agreement pursuant to this Section 9.1(c)(viii) if the failure of the Sale Order or BP Settlement Agreement Order to have been entered by such date was caused by Buyer acting or failing to act willfully, in bad faith; (however, the Parties agree that not filing an appeal of an order denying entry of the BP Settlement Order or the Sale Order shall not be a willful, bad faith act or inaction). The Parties are informed that Seller's bankruptcy counsel is not retained for the filing of any appeal.

(d) by Seller upon written notice to Buyer, if:

(i) at any time, Buyer shall have (i) materially breached the Sale Order or (ii) breached or violated any of its representations, warranties or covenants set forth in this Agreement in a manner that would prevent the satisfaction of the conditions to Closing set forth in Section 8.2(a) or Section 8.2(b), as the case may be, and in each case, (except in the case of a breach of the obligation to close within two (2) Business Days after the date contemplated in Section 2.8, in which case such two (2) Business Day period shall apply) such breach or violation shall not have been cured by the earlier of (A) ten (10) days after written notice thereof has been given by Seller to Buyer and (B) the Outside Date; provided that Seller shall not be entitled to terminate the Agreement pursuant to this Section 9.1(d)(i) if Seller is then in breach of any of its obligations under this Agreement such that the conditions in Sections 8.3(a), 8.3(b) or 8.3(c) would not be satisfied;

(ii) following execution by the Parties of this Agreement, Buyer withdraws or seeks authority to withdraw as the Stalking Horse Bidder under the Sale Motion, unless at the time of such withdrawal (or seeking of authority to withdraw) Buyer

has the right to terminate this Agreement in accordance with its terms under Sections 9.1(b) or 9.1(c); or

(iii) the Sale Order or the BP Settlement Agreement Order has not been entered on or before January 24, 2025; provided that the failure of the Sale Order or BP Settlement Agreement Order to have been entered by such date was not caused by Seller acting or failing to act willfully, in bad faith; (however, the Parties agree that not filing an appeal of an order denying entry of the BP Settlement Order or the Sale Order shall not be a willful, bad faith act or inaction). The Parties are informed that Seller's bankruptcy counsel is not retained for the filing of any appeal.

Section 9.2 Effect of Termination.

(a) In the event of termination of this Agreement as provided in Section 9.1, this Agreement shall forthwith become void and there shall be no liability on the part of any Party; provided that (i) the provisions set forth in Section 6.6 (Public Announcements), Section 10.3 (Fees and Expenses), Section 10.6 (Notices), Section 10.9 (Parties in Interest), Section 10.10 (Governing Law), Section 10.11 (Submission to Jurisdiction) and this Article IX shall survive the termination of this Agreement, (ii) subject to Section 9.2(b) and (c), no such termination shall relieve any Party from liability for any willful and material breach of this Agreement and (iii) the Initial Deposit Amount shall be paid to Buyer or Seller in accordance with Section 9.2(d).

(b) The Parties agree that if this Agreement is terminated, then the payment to Seller of the Initial Deposit Amount in accordance with Section 9.2(d) (if applicable) shall be the sole and exclusive remedy of Seller against Buyer and any of its Affiliates for any Liability, damage or other loss suffered as a result of any breach of any representation, warranty, covenant or agreement in this Agreement or the failure of the transactions contemplated hereby to be consummated, and neither Buyer nor any of its Affiliates shall have any other Liability relating to or arising out of this Agreement or the transactions contemplated by this Agreement.

(c) The Parties agree that if this Agreement is terminated pursuant to Section 9.1(b)(iii) or Section 9.1(c)(iv), then the payment to Buyer of the Break-up Fee in accordance with Section 9.3 (if applicable) shall be the sole and exclusive remedy of Buyer against Seller and any of its Affiliates and Members for any Liability, damage or other loss suffered as a result of any breach of any representation, warranty, covenant or agreement in this Agreement or the failure of the transactions contemplated hereby to be consummated, and neither Seller nor any of its Affiliates or Members shall have any other Liability relating to or arising out of this Agreement or the transactions contemplated by this Agreement.

(d) Notwithstanding anything in this Agreement to the contrary, (i) upon any termination of this Agreement other than a termination by Seller under Section 9.1(d)(i) or (ii), the Initial Deposit Amount shall be promptly repaid to Buyer, by wire transfer of immediately available funds to the account or accounts designated by Buyer and (ii) upon a termination of this Agreement by Seller pursuant to Section 9.1(d)(i) or (ii), the Initial Deposit Amount shall be promptly paid to Seller, by wire transfer of immediately available funds to the account or accounts designated by Seller. Each of the Parties acknowledges that the payment to Seller of the Initial Deposit Amount upon a termination of this Agreement pursuant to Section 9.1(d)(i) or (ii) is not a

penalty, but rather liquidated damages in a reasonable amount that will compensate Seller, in the circumstances in which such Initial Deposit Amount is payable, for the efforts and resources expended and the opportunities foregone while negotiating this Agreement and in reliance on this Agreement and on the expectation of the consummation of the transactions contemplated by this Agreement, which amount would otherwise be impossible to calculate with precision.

Section 9.3 Break-up Fee.

(a) In the event that this Agreement is terminated pursuant to Section 9.1(b)(iii) or Section 9.1(c)(iv), in consideration for Buyer having expended considerable time and expense in connection with this Agreement and the negotiation thereof and the identification and quantification of assets of Seller, and for acting as the Stalking Horse Bidder under the Sale Motion, subject to the Bankruptcy Court's approval, Seller shall pay to Buyer (solely upon the "closing" of an Alternative Transaction) a break-up fee equal to \$99,214.47 (the "Break-up Fee"). In the event Seller becomes obligated under this Agreement (and subject to the Bankruptcy Court's approval) to pay the Break-up Fee, Seller shall pay such amount from the closing of the Alternative Transaction in immediately available funds to such account or accounts as may be specified in written notice by Buyer.

(b) Each of the Parties acknowledges and agrees that the agreements contained in this Section 9.3 are an integral part of the transactions contemplated by this Agreement and that, without these agreements, the other Party would not enter into this Agreement. Each of the Parties further acknowledges that the payment by Seller of the Break-up Fee is not a penalty, but rather liquidated damages in a reasonable amount that will compensate Buyer, in the circumstances in which such Break-up Fee is payable, for the efforts and resources expended and the opportunities foregone while negotiating this Agreement and in reliance on this Agreement and on the expectation of the consummation of the transactions contemplated by this Agreement, which amount would otherwise be impossible to calculate with precision. The obligation of Seller to pay the Break-up Fee in accordance with the provisions of this Agreement will (i) be binding upon and enforceable against Seller upon approval of the Bidding Procedures by the Bankruptcy Court and (ii) survive the subsequent termination of this Agreement, solely to the extent permitted by applicable law subject to the Bankruptcy Court's approval. Any obligation to pay the Break-up Fee as and when required under this Agreement is intended to be, and is, binding upon any successors or assigns of Seller and any trustee, examiner or other representative of Seller's estate.

ARTICLE X

GENERAL PROVISIONS

Section 10.1 Nonsurvival of Representations, Warranties and Covenants. Except for any covenant or agreement of any Party that, by its terms, requires performance (in whole or in part) after the Closing, the respective representations, warranties and covenants of Seller and Buyer contained in this Agreement and any certificate delivered pursuant hereto shall terminate at, and not survive, the Closing. Any covenant or agreement herein to be performed after the Closing shall survive until such covenant or agreement has been performed in accordance with its terms.

Section 10.2 Bulk Sales. Notwithstanding any other provisions in this Agreement, Buyer and Seller hereby waive compliance with all “bulk sales,” “bulk transfer” and similar Laws that may be applicable with respect to the sale and transfer of any or all of the Transferred Assets to Buyer.

Section 10.3 Fees and Expenses. Except as otherwise expressly provided herein (including Section 9.2 in respect of the Initial Deposit and Section 9.3(a)), all fees and expenses incurred in connection with or related to this Agreement and the Ancillary Agreements and the transactions contemplated hereby and thereby shall be paid by the Party incurring such fees or expenses, whether or not such transactions are consummated.

Section 10.4 Amendment and Modification. This Agreement may not be amended, modified or supplemented in any manner, whether by course of conduct or otherwise, except by an instrument in writing specifically designated as an amendment hereto, signed on behalf of each Party.

Section 10.5 Waiver. No failure or delay of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such right or power, or any course of conduct, preclude any other or further exercise thereof or the exercise of any other right or power. Any agreement on the part of either Party to any such waiver shall be valid only if set forth in a written instrument executed and delivered by a duly authorized officer on behalf of such Party.

Section 10.6 Notices. All notices and other communications hereunder shall be in writing and shall be deemed duly given (a) on the date of delivery if delivered personally, (b) on the first Business Day following the date of dispatch if delivered utilizing a next-day service by a nationally recognized next-day courier, (c) on the day of transmission if sent via email transmission to the email address(es) given below and the sender does not receive a notice of such transmission being undeliverable to such email address or (d) on the earlier of confirmed receipt or the fifth (5th) Business Day following the date of mailing if delivered by registered or certified mail, return receipt requested, postage prepaid. All notices hereunder shall be delivered to the addresses set forth below, or pursuant to such other instructions as may be designated in writing in accordance with this Section 10.6 by the Party to receive such notice:

(i) if to Seller, to:

MaddieBrit Products, LLC
3525 Old Conejo Road, Suite 111
Newbury Park, CA 91320
Attention: Michael Edell, Managing Member
Email: Medell@maddiebritproducts.com

with a copy (which shall not constitute notice) to:
Margulies Faith LLP
16030 Ventura Blvd., Ste. 470

Encino, CA 91436

Attention: Craig G. Margulies, Esq.; Samuel Boyamian, Esq.
Email: Craig@MarguliesFaithLaw.com;
Samuel@MarguliesFaithLaw.com

(ii) if to Buyer, to:

Grove Collaborative, Inc.
1301 Sansome St.
San Francisco, CA 94111
Attention: General Counsel
Email: legal@grove.co

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

Katten Muchin Rosenman LLP
50 Rockefeller Plaza
New York, NY 10020
Attention: Cindi Giglio; David Kravitz
Email: cgiglio@katten.com; david.kravitz@katten.com

Section 10.7 Interpretation. When a reference is made in this Agreement to a Section, Article, Exhibit or Schedule, such reference shall be to a Section, Article, Exhibit or Schedule of this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement or in any Exhibit or Schedule are for convenience of reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. All words used in this Agreement will be construed to be of such gender or number as the circumstances require. Any capitalized terms used in any Exhibit or Schedule but not otherwise defined therein shall have the meaning as defined in this Agreement. All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth herein. The word “including” and words of similar import when used in this Agreement will mean “including, without limitation,” unless otherwise specified. The words “hereof,” “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to the Agreement as a whole and not to any particular provision in this Agreement. The term “or” is not exclusive. The word “will” shall be construed to have the same meaning and effect as the word “shall.” References to days mean calendar days unless otherwise specified.

Section 10.8 Entire Agreement. This Agreement (including the Exhibits and Schedules hereto) and the Ancillary Agreements constitute the entire agreement, and supersede all prior and contemporaneous oral agreements, arrangements, communications and understandings between the Parties with respect to the subject matter hereof and thereof.

Section 10.9 Parties in Interest. Except as specifically set forth in Section 10.12 and Section 10.21, this Agreement shall be binding upon and inure solely to the benefit of each Party, and nothing in this Agreement, express or implied, is intended to or shall confer upon any Person

other than the Parties and their respective successors and permitted assigns any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 10.10 Governing Law. Except to the extent of the mandatory provisions of the Bankruptcy Code, this Agreement and all disputes or controversies arising out of or relating to this Agreement or the transactions contemplated hereby (in contract or tort) shall be governed by, and construed in accordance with, the internal Laws of the State of Delaware, without regard to the Laws of any other jurisdiction that might be applied because of the conflicts of laws principles of the State of Delaware.

Section 10.11 Submission to Jurisdiction. Without limitation of any Party's right to appeal any Order of the Bankruptcy Court, (a) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any claims or disputes which may arise or result from, or be connected with, this Agreement, any breach or default hereunder, or the transactions contemplated hereby and (b) any and all claims relating to the foregoing shall be filed and maintained only in the Bankruptcy Court, and the Parties hereby consent and submit to the exclusive jurisdiction and venue of the Bankruptcy Court and irrevocably waive the defense of an inconvenient forum to the maintenance of any such Action or proceeding; provided, however, that, if the Bankruptcy Case is closed or the Bankruptcy Court declines jurisdiction, each of the Parties irrevocably agrees that any Action or proceeding arising out of or relating to this Agreement brought by the other Party or its successors or assigns shall be heard and determined in the United States District Court for the Central District of California, and each of the Parties hereby irrevocably submits to the exclusive jurisdiction of such court for itself and with respect to its property, generally and unconditionally, with regard to any such action or proceeding arising out of or relating to this Agreement and the transactions contemplated hereby. Each of the Parties hereby irrevocably and unconditionally waives, and agrees not to assert, by way of motion or as a defense, counterclaim or otherwise, in any action or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby, any claim that (i) it is not personally subject to the jurisdiction of the Bankruptcy Court or the United States District Court for the Central District of California as described herein for any reason, (ii) it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in any such court (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) and (iii) (A) the suit, action or proceeding in any such court is brought in an inconvenient forum, (B) the venue of such suit, action or proceeding is improper or (C) this Agreement, or the subject matter hereof, may not be enforced in or by such courts. Each of the Parties further agrees that notice as provided herein shall constitute sufficient service of process, and the Parties further waive any argument that such service is insufficient, without limiting any other manner of service permitted by Law.

Section 10.12 Personal Liability. This Agreement shall not create or be deemed to create or permit any personal liability or obligation on the part of any direct or indirect equity holder of Seller or Buyer or any officer, director, manager, employee, Representative or investor of any Party hereto.

Section 10.13 Assignment; Successors. Neither this Agreement nor any of the rights, interests or obligations under this Agreement may be assigned or delegated, in whole or in part, by operation of law or otherwise, by Seller without the prior written consent of Buyer, and by Buyer

without the prior written consent of Seller, and any such assignment without such prior written consent shall be null and void. Notwithstanding the foregoing, Buyer may assign any of its rights under this Agreement to any of its Affiliates upon written notice to, but without obtaining the prior written consent of, Seller; provided that (a) such assignment is not prohibited by any Order of the Bankruptcy Court and (b) such assignment shall not relieve Buyer of any of its obligations under this Agreement.

Section 10.14 Specific Performance. Each Party acknowledges that money damages would be both incalculable and an insufficient remedy for any breach of this Agreement by such Party and that any such breach would cause Buyer, on the one hand, and Seller, on the other hand, irreparable harm. Accordingly, each Party hereto also agrees that, in the event of any breach or threatened breach of the provisions of this Agreement by such Party, Buyer, on the one hand, and Seller, on the other hand, shall be entitled to equitable relief without the requirement of posting a bond or other security, including in the form of injunctions and orders for specific performance. Any and all remedies herein expressly conferred upon a Party will be deemed cumulative with and not exclusive of any other remedy conferred hereby, or by law or equity upon such Party, and the exercise by a Party of any one remedy will not preclude the exercise of any other remedy. Seller, on the one hand, and Buyer, on the other hand, hereby agree not to raise any objections to the availability of the equitable remedy of specific performance to prevent or restrain breaches or threatened breaches of this Agreement by Seller or Buyer, as applicable, and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations of Seller or Buyer, as applicable, under this Agreement.

Section 10.15 Currency. All references to “dollars” or “\$” in this Agreement or any Ancillary Agreement refer to United States dollars, which is the currency used for all purposes in this Agreement and any Ancillary Agreement.

Section 10.16 Severability. If any term or other provision of this Agreement, or any portion thereof, is invalid, illegal or incapable of being enforced by any rule of Law or public policy, all other terms and provisions of this Agreement, or the remaining portion thereof, shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any such term or other provision, or any portion thereof, is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are consummated to the fullest extent possible.

Section 10.17 Waiver of Jury Trial. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE BREACH, TERMINATION OR VALIDITY OF THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY

CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10.17.

Section 10.18 Counterparts. This Agreement may be executed in any number of counterparts, including by means of email in portable document format (.pdf), each of which when executed shall be deemed to be an original copy of this Agreement and all of which taken together shall constitute one and the same agreement.

Section 10.19 Jointly Drafted. This Agreement is the product of negotiations between the Parties, each of which is represented by legal counsel, and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement. Rules of construction relating to interpretation against the drafter of an agreement shall not apply to this Agreement and are expressly waived by each Party. The Parties acknowledge and agree that prior drafts of this Agreement and the other agreements and documents contemplated hereby will not be deemed to provide any evidence as to the meaning of any provision hereof or the intent of the Parties with respect hereto and that such drafts will be deemed to be the joint work product of the Parties.

Section 10.20 Limitation on Damages. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, IN NO EVENT SHALL BUYER OR ANY BUYER NON-RECOURSE PERSON OR SELLER OR ANY SELLER NON-RECOURSE PERSON BE LIABLE FOR, OR BEAR ANY OBLIGATION IN RESPECT OF, ANY PUNITIVE, SPECIAL, OR EXEMPLARY DAMAGES OF ANY KIND OR CHARACTER OR ANY DAMAGES RELATING TO, OR ARISING OUT OF, DIMINUTION IN VALUE, LOST PROFITS OR CHANGES IN RESTRICTIONS ON BUSINESS PRACTICES.

Section 10.21 No Recourse.

(a) This Agreement may be enforced only by Seller against, and any claim, action, suit, or other legal proceeding by Seller may be brought only against, Buyer, and then only as, and subject to the terms and limitations, expressly set forth in this Agreement. Neither Seller nor any other Person shall have any recourse against any past, present, or future director, officer, employee, incorporator, manager, member, general or limited partner, stockholder, Affiliate, agent, Representative or Advisor of Buyer or of any Affiliate of Buyer or any of their successors or permitted assigns (each, a "Buyer Non-Recourse Person"), and no Buyer Non-Recourse Person shall have any liability for any obligations or liabilities of Buyer under this Agreement or for any claim, action, or proceeding based on, in respect of or by reason of the transactions contemplated hereby.

(b) This Agreement may be enforced only by Buyer against, and any claim, action, suit, or other legal proceeding by Buyer may be brought only against, Seller, and then only

as, and subject to the terms and limitations, expressly set forth in this Agreement. Neither Buyer nor any other Person shall have any recourse against any past, present, or future director, officer, employee, incorporator, manager, member, general or limited partner, stockholder, Affiliate, agent, Representative or Advisor of Seller or of any Affiliate of Seller or any of their successors or permitted assigns (each, a “Seller Non-Recourse Person”), and no such Seller Non-Recourse Person shall have any liability for any obligations or liabilities of Seller under this Agreement or for any claim, action, or proceeding based on, in respect of or by reason of the transactions contemplated hereby.

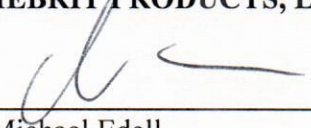
Section 10.22 Time of Essence. Time is of the essence with regard to all dates and time periods set forth or referred to in this Agreement. When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded. If the last day of such period is a non-Business Day, the period in question shall end on the next succeeding Business Day.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the Parties have executed this Asset Purchase Agreement on
the day and year first above written.

SELLER:

MADDIEBRIT PRODUCTS, LLC

By: 
Name: Michael Edell
Title: Managing Member

BUYER:

GROVE COLLABORATIVE, INC.

By: _____
Name: Jeff Yurcisin
Title: Chief Executive Officer

[Signature page to Asset Purchase Agreement]

IN WITNESS WHEREOF, the Parties have executed this Asset Purchase Agreement on the day and year first above written.

SELLER:

MADDIEBRIT PRODUCTS, LLC

By: _____
Name: Michael Edell
Title: Managing Member

BUYER:

GROVE COLLABORATIVE, INC.

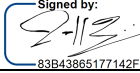
By:  _____
Name: Jeff Yurcisin
Title: Chief Executive Officer

EXHIBIT A

FORM OF SALE ORDER

(See attached)

1 CRAIG G. MARGULIES (SBN 185925)
Craig@MarguliesFaithLaw.com
2 SAMUEL M. BOYAMIAN (SBN 316877)
Samuel@MarguliesFaithLaw.com
3 **MARGULIES FAITH, LLP**
16030 Ventura Boulevard, Suite 470
4 Encino, CA 91436
Telephone: (818) 705-2777
5 Facsimile: (818) 705-3777

6 Attorneys for MaddieBrit Products, LLC
Chapter 11 Debtor and Debtor in Possession

7
8 **UNITED STATES BANKRUPTCY COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA**
10 **NORTHERN DIVISION**

10 In re:
11 MADDIEBRIT PRODUCTS, LLC,
12
13 Debtors and Debtors in Possession.

Case No. 9:24-bk-10682-RC
Chapter 11 (Subchapter V)

ORDER:

1. **APPROVING THE SALE OF SUBSTANTIALLY ALL ASSETS OF THE ESTATE FREE AND CLEAR OF LIENS, CLAIMS, INTERESTS AND ENCUMBRANCES PURSUANT TO 11 U.S.C. § 363(b)(1) AND (f)(2);**
2. **APPROVING BIDDING PROCEDURES;**
3. **APPROVING STALKING HORSE BIDDER, SUCCESSFUL BIDDER, AND BACK-UP BIDDER AS GOOD FAITH PURCHASERS PURSUANT TO 11 U.S.C. § 363(m);**
4. **WAIVING THE 14-DAY STAY; AND**
5. **ORDER AUTHORIZING CHANGE OF CASE CAPTION; AND**
6. **AUTHORIZING ASSUMPTION AND ASSIGNMENT OF CERTAIN OF DEBTOR'S EXECUTORY CONTRACTS AND UNEXPIRED LEASES PURSUANT TO 11 U.S.C. § 365.**

Hearing Held On:

Date: **January __, 2025**

Time: **TBD**

Place: Courtroom 201 (Via Zoom)
1415 State Street
Santa Barbara, CA 93101

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

Upon consideration of the “Motion For Order: (1) Authorizing Sale Of Debtor’s Assets Free And Clear Of All Liens, Claims, And Interests Pursuant 11 U.S.C. § 363(f)(2); (2) Authorizing Assumption And Assignment Of Executory Contracts Pursuant To 11 U.S.C. § 365(a); (3) Approving Bidding Procedures Including 3% Break-Up Fee; (4) Approving Stalking Horse Bidder, Successful Bidder, And Back-Up Bidder As Good Faith Purchasers Pursuant to 11 U.S.C. § 363(m); and (5) Waiving The 14 Day Stay [Docket No. X] (the “Motion”), filed by MaddieBrit Products, LLC, the Debtor and Debtor-in-Possession (the “Debtor” and/or “Seller”) in the above-captioned case (the “Bankruptcy Case”), for entry of an order, pursuant to sections 105(a), 363, and 365 of Title 11 of the United States Code (the “Bankruptcy Code”) and Rules 2002, 4001, 6004, 6006, 9006, 9007 and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), which came on for hearing on January ___, 2025 at ___ in the above-entitled Court before the Honorable Ronald A. Clifford, III, United States Bankruptcy Judge presiding. Appearances were as noted on the record.

The Court (i) having reviewed and considered the Motion, all relief related thereto, any objections thereto, and statements of counsel and the evidence presented in support of the relief requested in the Motion and at the Sale Hearing; and having further reviewed and considered the Debtor’s Application for Order Setting Hearing on Shortened Notice [Dkt. No.]; the Declaration of regarding giving telephonic and written notice of the hearing on the Motion [Dkt. No.]; the BP Settlement Agreement entered into by the Debtor, on one hand, and Secured Creditors Bright Plastics, LLC and Brightflow.ai (collectively, “BP”), on the other hand; and having considered the entire record in this Bankruptcy Case; and (ii) finding that notice of the hearing on the Motion was proper under the circumstances; and (iii) finding that the legal and factual bases set forth in the Motion and at the Sale Hearing establish just cause for the relief granted herein; and finding, after due deliberation thereon, and good and sufficient cause appearing therefor, as a matter of fact, and concludes, as matter of law, pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014, that:

A. Jurisdiction and Venue. This Court has jurisdiction pursuant to 28 U.S.C. §§ 1334

1 and 157. This is a core matter pursuant to 28 U.S.C. § 157(b)(2), and this Court may enter a final
2 order consistent with Article III of the United States Constitution. Venue is proper pursuant to 28
3 U.S.C. §§ 1408 and 1409.

4 B. Statutory and Legal Predicates. The statutory predicates for the relief are
5 Bankruptcy Code sections 105, 363, and 365 and Bankruptcy Rules 2002, 4001, 6004, 6006, 9006,
6 9007 and 9014.

7 C. Notice. Due and adequate notice of the proposed Sale, the Sale Hearing, Bid
8 Procedures, and the subject matter thereof was proper, adequate, and has been provided to all
9 parties in interest herein, and no other or further notice is necessary.

10 D. Assets Property of the Estate. The assets sought to be transferred by the Debtor to
11 the Stalking Horse Bidder Grove Collaborative, Inc. (the “Buyer”) pursuant to the Asset Purchase
12 Agreement, entered into by and between the Debtor and Buyer, dated January 14, 2025 (the
13 “Purchase Agreement”), are property of the Debtor’s estate and title thereto is vested in the
14 Debtor’s estate within the meaning of section 541(a) of the Bankruptcy Code. The Debtor is the
15 sole and rightful owner of such assets with all right, title, and interest to transfer and convey the
16 assets to the Buyer, and no other person has any ownership right, title, or interests therein.

17 E. Sufficiency of Marketing. The Debtor’s assets were the subject of an appropriate,
18 adequate and thorough marketing and sale process with the estate assistance of the Estate’s
19 advisors through prepetition and post-petition marketing efforts and the post-petition sale process,
20 as set forth in the Declarations of Michael Edell (Managing Member of the Debtor) and Joel
21 Montminy and other colleagues of Montminy & Co. (the Debtor’s Court approved investment
22 bankers), filed in support of the Motion. No other person or entity or group of persons or entities
23 has offered to purchase assets for an amount that would give equal or greater economic value to
24 the Debtor and the bankruptcy estate than the value being provided by Buyer pursuant to the
25 Purchase Agreement. Among other things, the Asset Sale is the best alternative available to the
26 Debtor and the bankruptcy estate to maximize the return to its creditors and interested parties. The
27 terms and conditions of the Purchase Agreement are fair and reasonable. Approval of the Motion,
28 the Purchase Agreement, and the transactions contemplated thereby, including the Asset Sale, are

1 in the best interests of the Debtor, its estate and creditors, and all other parties in interest.

2 F. Corporate Authority. The Debtor has full requisite corporate or other
3 organizational power and authority to execute, deliver, and perform the Purchase Agreement and
4 all other documents contemplated thereby, and the transactions described herein have been duly
5 and validly authorized by all necessary corporate action of Debtor. No consents or approvals, other
6 than those already obtained or expressly provided for in the Purchase Agreement or this Order,
7 are required for the Debtor to consummate the Asset Sale.

8 G. Arm's-Length and Buyer's Good Faith. The Purchase Agreement and transactions
9 contemplated therein were negotiated, proposed and are undertaken by the Debtor, its officers,
10 directors, employees, agents, and representatives, including its counsel, on the one hand, and
11 Buyer and its management, officers, directors, employees, agents, representatives, and counsel,
12 on the other hand, from arm's-length bargaining positions without collusion or fraud, and in good
13 faith within the meaning of section 363(m) of the Bankruptcy Code. Neither Buyer nor the Debtor
14 have engaged in any conduct that would cause or permit the Purchase Agreement, or the
15 transactions contemplated thereby, to be invalidated or avoided under 11 U.S.C. § 363(n). Buyer
16 is not an "insider" of the Debtor as that term is defined by Bankruptcy Code section 101(31).
17 Accordingly, upon consummation of the Asset Sale contemplated by the Purchase Agreement and
18 the Motion, Buyer will be acting in good faith within the meaning of section 363(m) of the
19 Bankruptcy Code, and, as such, Buyer and Debtor are entitled to all of the protections afforded by
20 section 363(m) of the Bankruptcy Code.

21 H. No Successor or Other Liability. Buyer (a) is not, and shall not be considered or
22 deemed, a mere continuation of Debtor or its estate; (b) has not, de facto or otherwise, merged
23 with or into Debtor; and (c) there is no continuity of enterprise or common identity between Buyer
24 and Debtor. Buyer is not holding itself out to the public as a continuation of Debtor or its estate.
25 Other than as provided in the Purchase Agreement, the transfer of the Transferred Assets to Buyer,
26 and the assumption of the Assumed Liabilities by Buyer under the Purchase Agreement does not,
27 and will not, subject Buyer to any liability whatsoever, with respect to Debtor or the operation or
28 winding down of its businesses prior to the Closing or by reason of such transfer including under

1 the laws of the United States, any state, territory, or possession thereof, or any foreign jurisdiction,
2 based, in whole or in part, directly or indirectly, on any, or any theory of, successor liability,
3 vicarious liability, antitrust liability, environmental liability, revenue, pension liability, ERISA
4 liability, tax liability, labor (including any WARN Act) liability, employment or benefits liability,
5 merger or de facto merger, business continuation, substantial continuity, alter ego liability,
6 derivative liability, transferee liability, veil piercing, escheat, continuity of enterprise, mere
7 continuation, product line liability, or products liability or law, or other applicable law, rule, or
8 regulation (including filing requirements under any such law, rule, or regulation), or theory of
9 liability, whether legal, equitable, or otherwise. Pursuant to and except as provided in the Purchase
10 Agreement, Buyer is not purchasing any assets of Debtor other than the Transferred Assets, or
11 assuming any liabilities except as set forth in the Purchase Agreement and shall have no liability
12 for any liabilities arising from the Asset Sale except as set forth in the Purchase Agreement. The
13 Buyer would not have agreed to acquire the Transferred Assets but for the protections against
14 potential claims based upon successor liability, de facto merger, or theories of similar effect that
15 are set forth in this Order.

16 I. Sale Free and Clear. Except as expressly provided for in the Purchase Agreement
17 or this Order, Buyer is not acquiring or assuming any liability, warranty, or other obligation of
18 Debtor, including without limitation the Excluded Liabilities and Encumbrances. Except provided
19 for in the Purchase Agreement, the transfer of the Transferred Assets to Buyer will not subject
20 Buyer to any liability whatsoever with respect to the operation of Debtor's businesses prior to the
21 Closing. Buyer would not have entered into the Purchase Agreement and would not agree to
22 consummate the Asset Sale if the sale of the Transferred Assets to the Buyer were not free and
23 clear of all Encumbrances (other than the Assumed Liabilities and Permitted Encumbrances) to
24 the fullest extent permitted pursuant to Bankruptcy Code section 363(f) or if the Buyer would, or
25 in the future could, be liable for any of such Encumbrances.

26 J. Sale Free and Clear of Liens of Bright Plastics, LLC and BrightFlow.ai, Inc.
27 Contingent upon approval of the BP Settlement Agreement and receipt of BP Settlement Payment:
28 BP has a first priority lien against the Transferred Assets securing its asserted claim of

1 \$4,213,345.00 (the “BP Lien”). Concurrently with the filing of the Motion, the Debtor filed a
2 motion (the “BP 9019 Motion”) seeking the approval of a settlement agreement by and between
3 the Debtor and BP (the “BP Settlement Agreement”), which provides *inter alia* that BP consents
4 to the Asset Sale free and clear of the BP Lien, but that said consent, and this Order are expressly
5 conditioned upon (a) this Court’s entry of a final order granting the BP 9019 Motion approving
6 the BP Settlement Agreement; and (b) BP’s receipt of a payment at Closing of the Asset Sale in
7 the amount of TWO MILLION SEVEN HUNDRED SIXTY ONE THOUSAND TWO
8 HUNDRED FIFTY-FOUR DOLLARS (\$2,761,254.00) (the “BP Settlement Amount”).

9 K. Sale as an Exercise of Business Judgment. Debtor has demonstrated good,
10 sufficient, and sound business purposes and justifications for approval of and entry into the Asset
11 Sale to the Buyer¹ and the Purchase Agreement (including all transactions contemplated thereby).
12 The total consideration provided by Buyer for the Transferred Assets as reflected in the Purchase
13 Agreement is the highest and best offer received by Debtor for the Transferred Assets. The
14 Purchase Agreement and transactions contemplated thereby will present the best opportunity to
15 realize the value of the Transferred Assets on a going concern basis and avoid decline and
16 devaluation of the Transferred Assets. Unless the Asset Sale is concluded expeditiously, as
17 provided for in the Motion and pursuant to the Purchase Agreement, recoveries to creditors may
18 be diminished. Debtor’s entry into and performance under the Purchase Agreement and the
19 consummation of the Asset Sale and the transactions contemplated by the Purchase Agreement
20 constitutes Debtor’s sound business judgment and such acts are in the best interests of Debtor, its
21 estate, and all parties in interest. The Court finds that Debtor has articulated good and sufficient
22 reasons justifying the Sale, including, but not limited to, that it: (a) is the result of due deliberation
23 by Debtor and constitutes a sound and reasonable exercise of Debtor’s business judgment
24 consistent with its fiduciary duties; (b) provides value to and is beneficial to Debtor’s estate, and
25 is in the best interests of Debtor and its estate, creditors, and other parties in interest; and (c) is

26 _____
27 ¹ For the avoidance of doubt, Buyer may designate certain rights to affiliates or third parties to the extent set forth in
28 the Purchase Agreement. Any reference in this Order to Buyer shall (to the extent applicable) be read to include
Buyer’s designee, whether or not designees are expressly included in such reference.

1 reasonable and appropriate under the circumstances. Business justifications for the Asset Sale
2 include, but are not limited to, the following: (x) the Purchase Price set forth in the Purchase
3 Agreement constitutes the highest or otherwise best offer received for the Transferred Assets; (y)
4 the Purchase Agreement presents the best opportunity to maximize the value of the Transferred
5 Assets; and (z) the value of Debtor's estate will be maximized through the sale of the Transferred
6 Assets pursuant to the Purchase Agreement.

7 L. Compelling Reasons for an Immediate Sale. The Asset Sale of the Transferred
8 Assets must be approved and consummated promptly in order to preserve the value of the
9 Transferred Assets. Therefore, time is of the essence in consummating the Asset Sale, and Debtor
10 and Buyer intend to close the Asset Sale as soon as reasonably practicable. Debtor has
11 demonstrated compelling circumstances and a good, sufficient, and sound business purpose and
12 justification for the immediate approval and consummation of the Asset Sale contemplated by the
13 Purchase Agreement outside: (a) the ordinary course of business, pursuant to section 363(b) of the
14 Bankruptcy Code; and (b) a plan of liquidation, in that, among other things, the immediate
15 consummation of the Asset Sale to Buyer is necessary and appropriate to preserve and to maximize
16 the value of Debtor's estate. Accordingly, there is cause to lift the stay contemplated by
17 Bankruptcy Rule 6004 with respect to the transactions contemplated by this Order.

18 M. Cure Payments. The Cure Payments with respect to the Transferred Contracts to
19 be assigned to the Buyer are deemed to be the entire cure obligation due and owing under such
20 Transferred Contracts under Bankruptcy Code section 365(b). To the extent that any non-Debtor
21 counterparty to a Transferred Contract to be assigned to Buyer failed to timely file an objection to
22 the proposed Cure Payment filed with the Bankruptcy Court and associated with such Transferred
23 Contract, the Cure Payment listed in the applicable Contract Notice with respect to such
24 Transferred Contract shall be deemed to be the entire cure obligation due and owing under such
25 Transferred Contract.

26 N. Transferred Executory Contracts. The Debtor has proven and demonstrated that it
27 is an exercise of its sound business judgment to assume and assign the Executory Contracts to be
28 assigned to Buyer in connection with the consummation of the Asset Sale, and the assumption and

1 assignment of the Executory Contracts to be assigned to Buyer is in the best interests of the Debtor,
2 its estate, and creditors and all parties in interest. The Executory Contracts being assigned to Buyer
3 are an integral part of the Transferred Assets being purchased by the Buyer, and accordingly, such
4 assumption and assignment of such Executory Contracts is reasonable and enhances the value of
5 the Debtor's estate. Each provision of the Executory Contracts to be assigned to Buyer that
6 purports to prohibit, restrict or condition, or could be construed as prohibiting, restricting, or
7 conditioning, assignment of any Executory Contracts to be assigned to Buyer, or any applicable
8 non-bankruptcy law that purports to prohibit, restrict, or condition, or could be construed as
9 prohibiting, restricting, or conditioning, assignment of any Executory Contracts to be assigned to
10 Buyer, has been satisfied or is otherwise unenforceable under Bankruptcy Code section 365.
11 Assumption and assignment of any Executory Contract to be assigned to Buyer pursuant to the
12 Motion, this Order and the Purchase Agreement and full payment of any applicable Cure Payment
13 shall result in the full release and satisfaction of any and all cures, claims, or defaults, whether
14 monetary or nonmonetary, including defaults of provisions restricting change in control or
15 ownership interest composition or other bankruptcy-related defaults, arising under any Executory
16 Contract to be assigned to the Buyer at any time prior to the Closing, and shall relieve the Debtor
17 and its estate from any liability for any breach of such Executory Contract occurring after such
18 assignment. Upon the assignment to Buyer and the payment of the relevant Cure Payment (if
19 applicable), (i) each Executory Contract to be assigned to Buyer shall be deemed valid and binding
20 and in full force and effect in accordance with its terms, and all defaults thereunder, if any, shall
21 be deemed cured, subject to the provisions of this Order; and (ii) Buyer shall assume all obligations
22 under each such Executory Contract.

23 O. Adequate Assurance. Buyer has demonstrated adequate assurance of future
24 performance of all Executory Contracts to be assigned to Buyer, within the meaning of Bankruptcy
25 Code section 365.

26 P. Injunction. The injunction set forth in this Order against creditors and third parties
27 pursuing claims against, and liens, interests, and encumbrances on, the Transferred Assets is
28 necessary to induce the Buyer to close the Asset Sale, and the issuance of such injunctive relief is

1 therefore necessary to avoid irreparable injury to the Debtor's estate and will benefit the Debtor's
2 creditors.

3 Q. No Sub Rosa Plan. The Purchase Agreement and the Asset Sale do not constitute
4 a sub rosa chapter 11 plan for which approval has been sought. Neither the Purchase Agreement
5 nor the Asset Sale impermissibly restructures the rights of Debtor's creditors, nor impermissibly
6 dictates the terms of a chapter 11 plan for Debtor.

7 R. Releases. All releases contemplated by the Purchase Agreement and payments to
8 be made by the Buyer pursuant to the Purchase Agreement and other agreements or arrangements
9 entered into between the Buyer and the Debtor in connection with the Asset Sale have been
10 disclosed.

11 S. Final Order. This Order constitutes a final order within the meaning of 28 U.S.C.
12 § 158(a). Notwithstanding Bankruptcy Rules 6004(h) and 6006(d), and to any extent necessary
13 under Bankruptcy Rule 9014 and Rule 54(b) of the Federal Rules of Civil Procedure, as made
14 applicable by Bankruptcy Rule 7054, the Court expressly finds that there is no just reason for
15 delay in the implementation of this Order, waives any stay, and expressly directs entry of judgment
16 as set forth herein. Debtor has demonstrated compelling circumstances and a good, sufficient and
17 sound business purpose and justification for the immediate approval and consummation of the
18 Asset Sale as contemplated by the Purchase Agreement. Buyer, being a good faith buyer under
19 section 363(m) of the Bankruptcy Code, may close the Asset Sale contemplated by the Purchase
20 Agreement at any time after entry of this Order.

21 **IT IS HEREBY ORDERED THAT:**

- 22 1. Motion Granted. The Motion is GRANTED as set forth herein.
23 2. No Objections. [No objections to the Motion were filed to the Motion].
24 3. Notice. Notice of the Motion and Asset Sale (and the Purchase Agreement
25 contemplated in connection therewith), Sale Hearing, Bid Procedures, and all deadlines related
26 thereto, was fair and equitable under the circumstances and complied in all respects with sections
27 102(1), 363, and 365 of the Bankruptcy Code and Bankruptcy Rules 2002, 4001, 6004, 6006,
28 9006, 9007 and 9014.

1 4. Secured Creditor BP's Consent: BP consents to the Asset Sale of the Transferred
2 Assets free and clear of its lien, claim, and encumbrance pursuant to 11 U.S.C. § 363(f)(2).

3 5. Approval. Debtor is authorized to enter into the Purchase Agreement and the Asset
4 Sale (including any amendments, supplements, and modifications thereto, and all of the terms and
5 conditions therein). Pursuant to sections 105, 363, and 365 of the Bankruptcy Code, Debtor is
6 authorized and directed to consummate the Asset Sale, including, without limitation, the sale and
7 transfer of the Transferred Assets to Buyer in accordance with, and subject to, the terms and
8 conditions of the Purchase Agreement, and to transfer and assign all right, title and interest
9 (including common law rights) to all Transferred Assets to be conveyed free and clear of all
10 Excluded Liabilities and Encumbrances to the extent set forth in, and in accordance with and
11 subject to, the terms and conditions of the Purchase Agreement. Debtor and Buyer are each hereby
12 authorized and directed to take any and all actions necessary or appropriate to: (a) consummate
13 the Asset Sale of the Transferred Assets to Buyer and the Closing of the Asset Sale pursuant to
14 the Purchase Agreement and this Order;(b) perform, consummate, implement, and close fully the
15 Purchase Agreement together with any and all additional instruments and documents that may be
16 reasonably necessary or desirable to implement the Purchase Agreement; and (c) perform,
17 consummate, implement and close the BP Settlement Agreement and pay the BP Settlement
18 Amount to BP at Closing Debtor is hereby authorized and directed to perform each of its
19 covenants and undertakings as provided in the Purchase Agreement prior to or after the Closing
20 of the Asset Sale without further order of the Court. The Transferred Assets sold pursuant to the
21 Purchase Agreement to Buyer are being sold “as-is where is,” without any representations or
22 warranties from Debtor as to the quality or fitness of such assets for either its intended or any other
23 purposes. Such transfer shall constitute a legal, valid, binding, and effective transfer of such
24 property.

25 6. Fair Purchase Price. The Purchase Price provided by Buyer under the Purchase
26 Agreement is fair and reasonable and constitutes (a) reasonably equivalent value under the
27 Bankruptcy Code and the Uniform Voidable Transactions Act (f/k/a Uniform Fraudulent Transfer
28 Act), (b) fair consideration under the Uniform Fraudulent Conveyance Act, and (c) reasonably

1 equivalent value, fair consideration and fair value under any other applicable laws of the United
2 States, any state, territory or possession or the District of Columbia.

3 7. Transferred Executory Contracts. Notwithstanding any provision of any Executory
4 Contract to be assigned to Buyer, or any applicable non-bankruptcy law that purports to prohibit,
5 restrict or condition the assignment of such Executory Contracts, the Debtor is authorized to
6 assume such Executory Contracts and to assign such Executory Contracts to Buyer, which
7 assignment shall take place on and be effective as of the Closing or as otherwise provided by order
8 of this Court. There shall be no accelerations, assignment fees, increases, or any other fees charged
9 to Buyer or Debtor as a result of the assumption and assignment of the Executory Contracts to be
10 assigned to Buyer. The Debtor shall have assumed the Executory Contracts to be assigned to
11 Buyer, and the assignment by the Debtor of such Executory Contracts to Buyer shall not be a
12 default thereunder. After the payment of any relevant Cure Payment, neither the Debtor, its
13 bankruptcy estate, nor Buyer shall have any further liabilities to the non-Debtor counterparties to
14 such Executory Contracts, other than Buyer's obligations under such Executory Contracts that
15 accrue or become due and payable on or after the Closing.

16 8. Objections to Assumption and Assignment of Executory Contracts. The Debtor's
17 assumption of the Executory Contracts to be assigned to Buyer is subject to the consummation of
18 the Sale. To the extent that an objection by a counterparty to any such Executory Contract,
19 including all objections related to any applicable Cure Payments, is not resolved prior to the
20 Closing, the Debtor, with the consent of Buyer and in accordance with the Purchase Agreement,
21 may elect to (a) not assume and assign to Buyer such Executory Contract; (b) postpone the
22 assumption of such Executory Contract until the resolution of such objection (without delaying
23 closing of the Sale); (c) if the objection relates solely to the amount of the Cure Payment, pay the
24 undisputed portion of the applicable Cure Payment to the counterparty on the Closing, reserve the
25 disputed portion of any applicable Cure Payment, and assume such Executory Contract on the
26 Closing Date, or (d) proceed with the assumption and assignment or ongoing business relationship
27 on such terms as are otherwise mutually agreeable to the applicable counterparty, the Debtor, and
28 Buyer. If the parties choose option (c) above, so long as the disputed portion of the claimed Cure

1 Payment is reserved, and there are no other unresolved objections to the assumption and
2 assignment of such applicable Executory Contract, the Debtor can, without further delay, assume
3 and assign such Executory Contract that is the subject of the objection. Under such circumstances,
4 the respective objecting counterparty's recourse would be limited to payment of the undisputed
5 portion of the Cure Payment as of the Closing and payment of any portion of the reserved disputed
6 cure amount to which the counterparty is entitled following resolution of the dispute regarding the
7 Cure Payment.

8 9. Cooperation from Counterparties to Transferred Contracts. All counterparties to
9 the Executory Contracts to be assigned to Buyer shall cooperate, execute, and deliver, upon the
10 reasonable requests of Buyer, and shall not charge the Debtor or Buyer for any instruments,
11 applications, consents, or other documents which may be required or requested by any public or
12 quasi-public authority or other party or entity to effectuate the applicable transfers in connection
13 with the sale of the Transferred Assets.

14 10. Amendments to Purchase Agreement; No Plan Modifications. The Purchase
15 Agreement and any related agreements, documents, or other instruments may be modified,
16 amended, supplemented, waived, or restated by the parties thereto in a writing signed by such
17 parties and in accordance with the terms thereof, without further order of this Court, provided that
18 any such modification, amendment, supplement, waiver, or restatement does not have a material
19 adverse effect on Debtor's estate. The Purchase Agreement and Debtor's obligations therein shall
20 not be altered, amended, rejected, discharged, or otherwise affected by any chapter 11 plan
21 proposed or confirmed in the Bankruptcy Case without the prior written consent of Buyer. The
22 provisions of this Order and any actions taken pursuant hereto shall survive the entry of any order
23 which may be entered confirming any plan of reorganization for Debtor, dismissing Debtor's case,
24 or converting Debtor's case to a case under chapter 7 of the Bankruptcy Code.

25 11. Transfer Free and Clear. One or more of the standards set forth in section 363(f)(1)-
26 (5) of the Bankruptcy Code has been satisfied. With respect to the BP Lien, the sale of the
27 Transferred Assets free and clear of BP's lien is predicated upon BP's consent provided for in and
28 expressly conditioned upon the approval and consummation of the BP Settlement Agreement and

1 the BP 9019 Motion. Pursuant to sections 105 and 363 of the Bankruptcy Code, upon Closing of
2 the Purchase Agreement and the BP Settlement Agreement including BP's receipt of the BP
3 Settlement Amount, the Transferred Assets are transferred by Debtor to Buyer free and clear of
4 the Excluded Liabilities, Encumbrances, any lien (statutory or otherwise), hypothecation,
5 encumbrance, security interest, mortgage, pledge, restriction, charge, instrument, license,
6 preference, priority, security agreement, easement, covenant, encroachment, option, or other
7 interest in the subject property, including, without limitation, any right of recovery, tax (including
8 foreign, federal, state, and local tax), order of any governmental authority, or other claim with
9 respect thereto, of any kind or nature (including (a) any conditional sale or other title retention
10 agreement and any lease having substantially the same effect as any of the foregoing, (b) any
11 assignment or deposit arrangement in the nature of a security device, (c) any claims based on any
12 theory that Buyer is a successor, transferee or continuation of Debtor, or the Transferred Assets,
13 or that a de facto merger resulted from the transfer of the Transferred Assets, and (d) any leasehold
14 interest, license or other right, in favor of a person other than Buyer, to use any portion of the
15 Transferred Assets), whether secured or unsecured, choate or inchoate, filed or unfiled, scheduled
16 or unscheduled, noticed or unnoticed, recorded or unrecorded, contingent or noncontingent,
17 material or nonmaterial, known or unknown (collectively, "Interests", and individually, an
18 "Interest"). Each holder of any Interest against Debtor, its estate, or any of the Transferred Assets:
19 (a) has, subject to the terms and conditions of this Order, consented to the Asset Sale or is deemed
20 to have consented to the Asset Sale; (b) could be compelled, in a legal or equitable proceeding, to
21 accept money satisfaction of such Interest; or (c) otherwise falls within the provisions of 11 U.S.C.
22 § 363(f). No holders of Interests filed objections to the Motion, and all Interest holders are
23 deemed, subject to the terms of this Order, to have consented to the Asset Sale pursuant to 11
24 U.S.C. § 363(f)(2). Debtor is authorized and directed to transfer the Transferred Assets to Buyer
25 in accordance with the terms of the Purchase Agreement and this Order. Upon the Closing, such
26 transfer shall: (x) be valid, legal, binding and effective; (y) vest Buyer with all right, title and
27 interest of Debtor in the Transferred Assets; and (z) be free and clear of all Interests,
28 Encumbrances, Excluded Liabilities and any other claims and interests in accordance with section

1 363(f) of the Bankruptcy Code, except as set forth in the Purchase Agreement. All persons having
2 claims or interests of any kind or nature whatsoever against Debtor or the Transferred Assets,
3 including without limitation Interests, Encumbrances, or Excluded Liabilities, shall be forever
4 barred, estopped and permanently enjoined to the fullest extent permitted by section 363(f) of the
5 Bankruptcy Code from creating, perfecting, pursuing, enforcing, attaching, collecting, recovering,
6 or asserting such claims or interests against Buyer or any of its assets, property, affiliates,
7 successors, assigns, or the Transferred Assets. Following the Closing, and to the fullest extent
8 permitted by section 363(f) of the Bankruptcy Code, no holder of a pre-Closing Encumbrance
9 against the Debtor (other than those arising under the Assumed Liabilities or Permitted
10 Encumbrances) shall interfere with Buyer's title to or use and enjoyment of the Debtor's interest
11 in the Transferred Assets based on or related to such Encumbrance.

12 12. Self-Executing Order. A certified copy of this Order may be filed with the
13 appropriate clerk or recorder to act to cancel any such Encumbrance of record; provided that,
14 notwithstanding anything in the Order or Purchase Agreement to the contrary, the provisions of
15 the Order shall be self-executing, and the Buyer shall not be required to execute or file releases,
16 termination statements, assignments, consents, or other instruments in order to effectuate,
17 consummate, and implement the provisions of this Order.

18 13. Proceeds of the Sale. In compliance with the terms of the Purchase Agreement,
19 the proceeds of the Asset Sale of the Transferred Assets shall be transmitted by wire to the attorney
20 client trust account of Debtor's counsel and, other than provided for herein, shall not be
21 distributed, other than upon entry of a Court order authorizing such distribution or in accordance
22 with a confirmed chapter 11 plan. Notwithstanding any other provision of this Order, at the
23 Closing of the Sale (assuming "final orders" on the Motion and approving the BP 9019 Motion),
24 Buyer is authorized to pay the total cash consideration at closing, on behalf and at the direction of
25 Debtor in partial satisfaction of the BP Settlement Amount, to BP by wire transfer in accordance
26 with the BP Settlement Agreement. Further, the Debtor is authorized and directed to pay the
27 remaining balance of BP Settlement Amount to BP from its cash on hand, and the proceeds of the
28 Asset Sale. For avoidance of doubt, the Asset Sale shall not close until and unless BP has received

1 the BP Settlement Amount.

2 14. Surrender of Possession. Except as otherwise provided in the Purchase Agreement,
3 any Transferred Assets in the possession or control of any person or entity, including any vendor,
4 supplier, attorney or employee of Debtor, shall be delivered to Buyer free and clear of all Interests,
5 including without limitation free and clear of BP's lien, the Encumbrances and the Excluded
6 Liabilities, and deemed delivered at the time of Closing (or such other time as provided in the
7 Purchase Agreement).

8 15. Vesting of Assets in Buyer. Effective upon the Closing, the transfer to Buyer of
9 the Transferred Assets pursuant to the Purchase Agreement shall be, and hereby is deemed to be,
10 a legal, valid and effective transfer of the Transferred Assets, and vests with or will vest in Buyer
11 all the Transferred Assets free and clear of Interests, including without limitation free and clear of
12 BP's lien, Encumbrances and Excluded Liabilities. All persons and entities including without
13 limitation, BP and the Small Business Administration (SBA), are hereby forever prohibited and
14 enjoined from taking any action that would interfere with the transfer of Transferred Assets to
15 Buyer in accordance with the terms of the Purchase Agreement and this Order. This Order (a)
16 shall be effective as a determination that upon the Closing (i) no claims arising from any period
17 prior to the Closing can be asserted against Buyer, (ii) the Transferred Assets shall have been
18 transferred to Buyer free and clear of all Encumbrances, and (iii) the conveyances described herein
19 have been effected, and (b) is and shall be binding upon and govern the acts of all entities,
20 including without limitation, all filing agents, filing officers, title agents, title companies, recorders
21 of mortgages, recorders of deeds, registrars of deeds, registrars of patents, trademarks, or other
22 intellectual property, administrative agencies, governmental departments, secretaries of state,
23 federal and local officials, and all other persons and entities who may be required by operation of
24 law, the duties of their office, or contract, to accept, file, register, or otherwise record or release
25 any documents or instruments, and each of the foregoing persons and entities is hereby directed
26 to accept for filing any and all documents and instruments necessary and appropriate to
27 consummate the transactions contemplated by the Purchase Agreement.

28 16. Injunction. Except as expressly provided in the Purchase Agreement or by this

1 Order, effective upon the Closing, all persons and entities, including, but not limited to, all debt
2 holders, equity security holders, governmental, tax and regulatory authorities, lenders, vendors,
3 suppliers, employees, trade creditors, litigation claimants, and other persons holding Excluded
4 Liabilities or Encumbrances on the Assets shall be and hereby are forever barred, estopped and
5 permanently enjoined to the fullest extent permitted by section 363(f) of the Bankruptcy Code
6 from asserting, prosecuting, or otherwise pursuing such Excluded Liabilities or Encumbrances.
7 All persons are hereby enjoined from taking any action that would interfere with or adversely
8 affect the ability of Debtor to transfer the Transferred Assets in accordance with the terms of the
9 Purchase Agreement and this Order. Following the Closing, no holder of any Interest shall
10 interfere with Buyer's title to or use and enjoyment of the Transferred Assets based on or related
11 to any such Interest or based on any actions or inactions Debtor may take in the Bankruptcy Case.

12 17. Direction to Creditors and Parties in Interest. On the Closing, but subject to the
13 Purchase Agreement and the BP Settlement Agreement, Debtor's creditors and the holders of any
14 claims are authorized and directed to execute such documents and take all other actions as may be
15 necessary to terminate, discharge or release their Encumbrances against the Transferred Assets, if
16 any, as such Encumbrances may otherwise exist.

17 18. Direction to Government Agencies. Each and every filing agent, filing officer, title
18 agent, recording agency, governmental department, secretary of state, federal, state and local
19 official, and any other person and entity who may be required by operation of law, the duties of
20 its office or contract, to accept, file, register, or otherwise record or release any documents or
21 instruments or who may be required to report or insure any title in or to the Assets, is hereby
22 authorized and directed to accept any and all documents and instruments necessary and
23 appropriate to consummate the Sale and approved by this Order.

24 19. Good Faith Buyer. Buyer is a good faith purchaser of the Transferred Assets as
25 that term is used in section 363(m) of the Bankruptcy Code. Buyer is entitled to all of the
26 protections afforded by section 363(m) of the Bankruptcy Code, and Buyer has proceeded in good
27 faith in all respects in connection with the Sale.

28 20. Consummation of Sale. Pursuant to sections 105 and 363 of the Bankruptcy Code,

1 Debtor, as well as its officers, employees and agents, are authorized to enter into, execute, deliver
2 and perform their obligations under and comply with the terms of the Purchase Agreement and
3 the BP Settlement Agreement to close and consummate the Asset Sale, including by taking any
4 and all actions as may be reasonably necessary or desirable to implement the Asset Sale pursuant
5 to and in accordance with the terms and conditions of the Purchase Agreement, the BP Settlement
6 Agreement, and this Order.

7 21. Transfer of Marketable Title. Upon the Closing, this Order shall be construed and
8 shall constitute for any and all purposes a full and complete general assignment, conveyance and
9 transfer of the Transferred Assets or a bill of sale transferring good and marketable title in the
10 Transferred Assets to Buyer at the Closing pursuant to the terms of the Purchase Agreement, free
11 and clear of all Encumbrances and Excluded Liabilities to the fullest extent permitted by section
12 363(f) of the Bankruptcy Code.

13 22. No Successor Liability. By virtue of the Asset Sale, Buyer and its affiliates,
14 successors and assigns shall not be deemed or considered to: (a) be a legal successor, or otherwise
15 be deemed a successor to any of Debtor; (b) have, de facto or otherwise, merged with Debtor; (c)
16 be a consolidation with Debtor or its estate; or (d) be an alter ego or a continuation or substantial
17 continuation, or be holding itself out as a mere continuation, of Debtor, its estate, business or
18 operations, or any enterprise of Debtor, in each case by any law or equity. None of Buyer or its
19 affiliates, successors, assigns, equity holders, officers, directors, employees or professionals shall
20 have or incur any liability to, or be subject to any action by Debtor or its estate, predecessors,
21 successors, or assigns, arising out of the negotiation, investigations, preparation, execution, or
22 delivery of the Purchase Agreement and entry into and consummation of the sale of the
23 Transferred Assets, except as expressly provided in the Purchase Agreement or this Order.

24 23. Approval to Release Encumbrances. If any person or entity that has filed financing
25 statements or other documents or agreements evidencing Encumbrances on the Transferred Assets
26 shall not have delivered to Debtor before the Closing, in proper form for filing and executed by
27 the appropriate parties, termination statements, instruments of satisfaction, releases of liens, and
28 any other documents necessary for the purpose of documenting the release of all Encumbrances

1 that the person or entity has or may assert with respect to the Transferred Assets, Debtor and Buyer
2 are hereby authorized to execute and file such statements, instruments, releases and other
3 documents on behalf of such person or entity with respect to the Transferred Assets. Buyer is
4 hereby authorized to file, register or otherwise record a certified copy of this Order, which, once
5 filed, registered or otherwise recorded, shall constitute evidence of the release of the Interests
6 against the Transferred Assets; provided that, notwithstanding anything in the Order or Purchase
7 Agreement to the contrary, the provisions of the Order shall be self-executing, and the Buyer shall
8 not be required to execute or file releases, termination statements, assignments, consents, or other
9 instruments in order to effectuate, consummate, and implement the provisions of this Order. This
10 Order is deemed to be in recordable form sufficient to be placed in the filing or recording system
11 of each and every federal, state, county, or local government agency, department, or office. For
12 the avoidance of doubt, upon consummation of the Asset Sale as set forth in the Purchase
13 Agreement, Buyer is granted power of attorney and authorized to file termination statements lien
14 terminations, releases, or other amendments in any required jurisdiction to remove and record,
15 notice filings or financing statements recorded to attach, perfect, or otherwise notice any
16 Encumbrances that is extinguished or otherwise released pursuant to this Order under section 363
17 and the related provisions of the Bankruptcy Code.

18 24. Rights to Use of the Transferred Assets. Subject to section 525(a) of the
19 Bankruptcy Code, no governmental unit may revoke or suspend any right, license, trademark, or
20 other permission relating to the use of the Transferred Assets sold, transferred, or conveyed to the
21 Buyer on account of the filing or pendency of the Bankruptcy Case or the consummation of the
22 Asset Sale.

23 25. Inconsistencies with Prior Orders, Pleadings or Agreements. Except for any Order
24 entered on the BP 9019 Motion, to the extent this Order is inconsistent with any prior order or
25 pleading in the Bankruptcy Case, the terms of this Order shall govern. To the extent there is any
26 inconsistency between the terms of this Order and the terms of the Purchase Agreement (including
27 all ancillary documents executed in connection therewith), the terms of this Order shall govern.

28 26. Subsequent Orders and Plan Provisions. Unless otherwise agreed to by Debtor and

1 Buyer, this Order shall not be modified by any chapter 11 plan confirmed in the Bankruptcy Case
2 or any subsequent order(s) of this Court.

3 27. Binding Effect of Order. This Order and the Purchase Agreement shall be binding
4 in all respects upon Debtor, its estate, all creditors of, and holders of equity interests in, Debtor,
5 any holders of liens on the Transferred Assets (whether known or unknown), Buyer and all
6 successors and assigns of Buyer, notwithstanding the dismissal of the Bankruptcy Case or any
7 subsequent appointment of any trustees, examiners, “responsible persons” or other fiduciaries in
8 the Bankruptcy Case or upon a conversion to chapter 7 under the Bankruptcy Code, and the
9 Purchase Agreement shall not be subject to rejection or avoidance under any circumstances.

10 28. No Avoidance of Purchase Agreement. Neither Debtor nor Buyer have engaged
11 in any conduct that would cause or permit the Purchase Agreement to be avoided or costs or
12 damages to be imposed under section 363(n) of the Bankruptcy Code or any other provision of
13 the Bankruptcy Code or applicable law. Accordingly, the Purchase Agreement and the Asset Sale
14 shall not be avoidable under section 363(n), chapter 5 of the Bankruptcy Code, or under any other
15 applicable laws of the United States, any state, territory or possession or the District of Columbia,
16 and no party shall be entitled to any damages or other recovery pursuant to section 363(n) of the
17 Bankruptcy Code in respect of the Purchase Agreement or the Asset Sale.

18 29. Entire Purchase Agreement Approved. The failure to specifically include any
19 particular provisions of the Purchase Agreement or any related agreements in this Order shall not
20 diminish or impair the effectiveness of such provision, it being the intent of the Court, Debtor, and
21 Buyer that the Purchase Agreement (including, but not limited to, all ancillary agreements
22 contemplated thereby) is authorized and approved in its entirety with such amendments thereto as
23 may be made by the parties in accordance with this Order. Debtor and Buyer are authorized to
24 take all actions necessary or appropriate to effectuate the relief granted in this Order and the
25 Purchase Agreement.

26 30. Nonseverable. The provisions of this Order are nonseverable and mutually
27 dependent.

28 31. Immediate Effect. This Order constitutes a final order within the meaning of 28

1 U.S.C. § 158(a). Notwithstanding any provision in the Bankruptcy Rules to the contrary, the terms
2 of this Order shall be immediately effective and enforceable upon its entry and not subject to any
3 stay, notwithstanding the possible applicability of Bankruptcy Rule 6004(h) or otherwise.

4 32. Satisfaction of Conditions Precedent. Neither Buyer nor Debtor shall have an
5 obligation to close the Asset Sale until all conditions precedent in the Purchase Agreement to each
6 of their respective obligations to close the Asset Sale have been met, satisfied, or waived in
7 accordance with the terms of the Purchase Agreement.

8 33. Bulk Sales; Taxes. No bulk sales law, bulk transfer law or similar law of any state
9 or other jurisdiction shall apply in any way to the transactions contemplated by the Purchase
10 Agreement, the Motion, or this Order. Except as otherwise expressly provided in the Purchase
11 Agreement, all obligations of Debtor relating to taxes, whether arising under any law, by the
12 Purchase Agreement, or otherwise, shall be the obligation of and fulfilled and paid by Debtor.

13 34. Order Authorizing Debtor's Name. Upon the Debtor filing a "Notice of Closing
14 of Sale", the Clerk of the Court is authorized and directed to change the Debtor's name to "MB in
15 Liquidation." The Debtor is authorized, but not directed, to further amend the case caption to
16 reflect additional Debtor's name change to the extent necessary in compliance with Section 6.10
17 of the APA without further notice to any party.

18 35. Retention of Jurisdiction. The Court retains jurisdiction with respect to all matters
19 arising from or related to the implementation of this Order.
20

21
22 ###
23
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

Exhibit 1
Purchase Agreement

EXHIBIT B

SAMPLE FUNDS FLOW MEMORANDUM

(See attached)

Exhibit B
Sample Funds Flow Memorandum

		\$2,856,254	BP Settlement Amount + BP AP Contribution Amount (\$95,000)
minus	BP A/P Contribution Amount	\$95,000	Total Amount Received by BP:
plus	Montminy Fee Amount	\$125,000	\$2,761,254
plus	Estate Administrative Expense Amount	\$258,000	
plus	Operational Administrative Expense Amount	\$129,495	
plus	Unsecured Creditor Payment Amount	\$27,400	
minus	Initial Deposit Amount	\$250,000	Total Amount Paid by Grove:
minus	Closing Cash and Cash Equivalents	\$1,238,512	\$2,068,637
plus	Sales Tax Reserve	\$6,000	
Totals:			
	Cash Consideration (paid at Closing)	\$1,818,637	
	Initial Deposit Amount (escrowed post-signing)	\$250,000	
	Closing Cash and Cash Equivalents	\$1,238,512	
	Total Funds	\$3,307,149	

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 16030 Ventura Blvd., Suite 470, Encino, CA 91436

A true and correct copy of the foregoing document entitled: **NOTICE OF SALE OF ESTATE PROPERTY** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF)**: Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (date) 01/20/2025, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Service information continued on attached page

2. **SERVED BY UNITED STATES MAIL**:

On (date) 01/20/2025, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

JUDGE: Service on Judge not required per Judge Clifford's Procedures (Rev. 9/20/2023)

Service information continued on attached page

3. **SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (date) _____, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

NONE.

Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

01/20/2025
Date

Vicky Castrellon
Printed Name

/s/ Vicky Castrellon
Signature

ADDITIONAL SERVICE INFORMATION

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):

Samuel Mushegh Boyamian on behalf of Debtor MaddieBrit Products, LLC

samuel@marguliesfaithlaw.com,
Angela@MarguliesFaithLaw.com; Vicky@MarguliesFaithLaw.com; Amber@MarguliesFaithLaw.com

Samuel Mushegh Boyamian on behalf of Interested Party Courtesy NEF

samuel@marguliesfaithlaw.com,
Angela@MarguliesFaithLaw.com; Vicky@MarguliesFaithLaw.com; Amber@MarguliesFaithLaw.com

Christopher Cramer on behalf of Interested Party Courtesy NEF

secured@becket-lee.com

Jeremy Faith on behalf of Debtor MaddieBrit Products, LLC

Jeremy@MarguliesFaithlaw.com,
Angela@MarguliesFaithLaw.com; Vicky@MarguliesFaithLaw.com; Amber@MarguliesFaithLaw.com

Jeremy Faith on behalf of Interested Party Courtesy NEF

Jeremy@MarguliesFaithlaw.com,
Angela@MarguliesFaithLaw.com; Vicky@MarguliesFaithLaw.com; Amber@MarguliesFaithLaw.com

Brian David Fittipaldi on behalf of U.S. Trustee United States Trustee (ND)

brian.fittipaldi@usdoj.gov

Asa S Hami on behalf of Interested Party Courtesy NEF

asa.hami@gmlaw.com, ahami@ecf.courtdrive.com; patricia.dillamar@gmlaw.com; pdillamar@ecf.courtdrive.com

Mark S Horoupian on behalf of Creditor Bright Plastics LLC

mark.horoupian@gmlaw.com, mhoroupian@ecf.courtdrive.com; cheryl.caldwell@gmlaw.com; karen.files@gmlaw.com

Mark S Horoupian on behalf of Interested Party Courtesy NEF

mark.horoupian@gmlaw.com, mhoroupian@ecf.courtdrive.com; cheryl.caldwell@gmlaw.com; karen.files@gmlaw.com

Anne C Manalili on behalf of Creditor U.S. Small Business Administration

anne.manalili@sba.gov

Craig G Margulies on behalf of Debtor MaddieBrit Products, LLC

craig@marguliesfaithlaw.com,
Angela@MarguliesFaithLaw.com; Vicky@MarguliesFaithLaw.com; Amber@MarguliesFaithLaw.com; Drew@MarguliesFaithLaw.com

Victor A Sahn on behalf of Creditor Bright Plastics LLC

victor.sahn@gmlaw.com,
vsahn@ecf.courtdrive.com; pdillamar@ecf.courtdrive.com; patricia.dillamar@gmlaw.com, Karen.Files@gmlaw.com

Mark M Sharf (TR)

mark@sharfllaw.com, C188@ecfcbis.com; sharf1000@gmail.com; 2180473420@filings.docketbird.com

United States Trustee (ND)

ustprejon16.nd.ecf@usdoj.gov