



CLERK, U.S. BANKRUPTCY COURT  
NORTHERN DISTRICT OF TEXAS

**ENTERED**

THE DATE OF ENTRY IS ON  
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Signed November 3, 2016

  
United States Bankruptcy Judge

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

In re: § Chapter 11  
§  
TPP ACQUISITION, INC. d/b/a The § Case No. 16-33437-hdh-11  
Picture People, §  
§  
Debtor. §

**ORDER GRANTING THE DEBTOR'S MOTION, PURSUANT TO  
BANKRUPTCY CODE SECTIONS 105(a), 363, AND 365, AND  
BANKRUPTCY RULES 2002, 6004, AND 6006, FOR ENTRY OF AN  
ORDER AUTHORIZING THE SALE OF ASSETS FREE AND CLEAR OF  
ALL LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS  
AND GRANTING RELATED RELIEF**

Upon the *Debtor's Expedited Motion, pursuant to Bankruptcy Code Sections 105(a), 363, and 365, and Bankruptcy Rules 2002, 6004, and 6006, for Entry of an Order (A) Approving Sale and Bidding Procedures and Bid Protections in Connection with Sale of Assets of the Debtor, (B) Authorizing the Sale of Assets Free and Clear of all Liens, claims, Encumbrances and Other*



*Interests, and (C) Granting Related Relief* (Docket No. 30) (the “Motion”) filed by the above-captioned debtor and debtor in possession (the “Debtor”) in the above-captioned chapter 11 case (the “Chapter 11 Case”), pursuant to §§ 105(a), 363(b), (f), and (m), and 365 of title 11 of the United States Code (the “Bankruptcy Code”) and Rules 2002, 6004, and 6006 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) for an Order (a) approving the sale (the “Sale”) of the Debtor’s Assets<sup>1</sup> free and clear of claims and liens (the “Purchased Assets”) pursuant to the terms and conditions of the APA presented as an exhibit at the hearing on the Motion (collectively with all exhibits thereto, the “APA”), as and executed by and between the Debtor, as seller (collectively, the “Seller”), and TPP OPCO, INC., as “Purchaser Designee” thereunder (the “Purchaser”), (b) approving the assumption and assignment of certain executory contracts and unexpired leases (collectively, the “Assigned Contracts”, as defined in the APA), and (c) approving certain procedures applicable to the assumption and assignment of certain executory contracts and unexpired leases following the Closing, in accordance with the terms of the APA (the “Remaining Contracts” and together with the Assigned Contracts, the “Contracts”); and the Court having entered the *Order Approving Sale and Bidding Procedures and Bid Protections in Connection with Sale of Assets of the Debtor and Granting Related Relief* on October 11, 2016 (Docket No. 239) (the “Bidding Procedures Order”); and the Debtor having determined, after an extensive marketing process, that the Purchaser has submitted the highest and best bid for the Purchased Assets; and upon adequate and sufficient notice of the Motion, the hearing on the Motion held before the Court on November 2, 2016 (the “Sale Hearing”), and any other related transactions having been given in the manner directed by the Court pursuant to the Bidding Procedures Order; and the Court having reviewed and considered (x) the Motion and all

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<sup>1</sup> Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Motion or the APA, as applicable. For the avoidance of doubt, the Purchased Assets do not include any interest the Debtor has or may have in any director or officer liability insurance policy.

relief related thereto, (y) the objections thereto, if any, and (z) the statements of counsel and evidence presented in support of the relief requested by the Debtor at the Sale Hearing; and it appearing that the Court has jurisdiction to consider and determine this matter in accordance with 28 U.S.C. §§ 157 and 1334; and it further appearing 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 it appearing that the relief requested in the Motion is in the best interests of the Debtor, its estate and creditors and other parties-in-interest; and upon the record of the Sale Hearing and all other pleadings and proceedings in these Chapter 11 Cases, including the Motion; and after due deliberation thereon and good and sufficient cause appearing therefor;

IT IS HEREBY FOUND AND DETERMINED:

**Jurisdiction, Final Order and Statutory Predicates**

A. The Court has jurisdiction to consider the Motion and the relief requested therein under 28 U.S.C. §§ 157 and 1334. The Motion is a core proceeding under 28 U.S.C. § 157(b)(2)(A), (N) and (O). Venue is proper in the Court under 28 U.S.C. §§ 1408 and 1409.

B. The statutory predicates for the relief sought in the Motion are Bankruptcy Code §§ 105(a), 363(b), (f), and (m) and 365(a), (b) and (f) and Bankruptcy Rules 2002, 6004, 6006 and 9014.

C. This Sale Order constitutes a final order within the meaning of 28 U.S.C. § 158(a). Notwithstanding Bankruptcy Rules 6004(h) and 6006(d), and to any extent necessary under Bankruptcy Rule 9014 and Rule 54(b) of the Federal Rules of Civil Procedure, as made applicable by Bankruptcy Rule 7054, the Court expressly finds that there is no just reason for delay in the implementation of this Sale Order, and expressly directs that this Order be effective immediately upon entry.

**Notice of Sale, Auction and the Cure Amounts**

D. Actual written notice of the Motion, the Auction (that was not conducted because of the absence of any timely Qualified Bids other than the APA), the Sale Hearing, the sale of the Debtor's Assets (including, without limitation, the Purchased Assets), and a reasonable opportunity to object or be heard with respect to the Motion and the relief requested therein, has been afforded to all known interested entities, including, but not limited to, the following parties: (i) all entities known by the Debtor to have expressed an interest in a transaction with respect to the Purchased Assets, including all Qualified Bidders; (ii) all state and local taxing authorities or recording offices that have a reasonably known interest in the relief requested; (iii) all insurers; (iv) all non-debtor parties to relevant contracts or leases (executory or otherwise); (v) all parties who are known or reasonably believed, after reasonable inquiry, to have asserted any lien, encumbrance, claim, or other interest in the Purchased Assets; and (vi) all parties set forth in the Debtor's Master Service List maintained in these Chapter 11 Cases (collectively, the "Notice Parties").

E. In accordance with the provisions of the Bidding Procedures Order, the Debtor has served notice upon the counterparties to the Contracts: (i) that the Debtor may seek to assume and assign to the Purchaser the Contracts either on the closing date of the Sale (the "Closing Date") or prior to the Designation Deadline; and (ii) of the relevant Cure Amounts (as defined below). The service of such notice was good, sufficient, and appropriate under the circumstances, and no further notice need be given in respect of establishing a Cure Amount for the Contracts. Each of the counterparties to the Contracts has had an opportunity to object to the Cure Amounts set forth in the notice and each of the counterparties to the Assigned Contracts has

had the opportunity to object to the assumption and assignment to the Purchaser of the Assigned Contracts.

F. As evidenced by the certificates of service previously filed with this Court, proper, timely, adequate, and sufficient notice of the Auction, the Motion, the Sale Hearing, the Sale, and the transactions contemplated thereby, including without limitation, the assumption and assignment of the Assigned Contracts to the Purchaser, was provided in accordance with the orders previously entered by this Court, Bankruptcy Code §§ 105(a), 363, and 365, and Bankruptcy Rules 2002, 6004, 6006, and 9007. The notices described herein were good, sufficient, and appropriate under the circumstances, and no other or further notice of the Auction, the Motion, the Sale Hearing, the Sale, the Closing Date or the assumption and assignment of the Assigned Contracts to the Purchaser or the potential assumption and assignment of the Remaining Contracts is or shall be required.

G. The disclosures made by the Debtor concerning the Auction, the APA, the Motion, the Sale Hearing, the Sale, and the assumption and assignment of the Assigned Contracts to the Purchaser were complete and adequate, other than as provided herein.

**Good Faith of the Purchaser**

H. The APA was negotiated, proposed, and entered into by the Debtor and the Purchaser without collusion, in good faith, and from arm's length bargaining positions.

I. Neither the Debtor nor the Purchaser has engaged in any conduct that would cause or permit the APA to be avoided under Bankruptcy Code § 363(n). Specifically, the Purchaser has not acted in a collusive manner with any person and the aggregate consideration by the Purchaser for the Purchased Assets (the "Purchase Consideration") was not controlled by any agreement among the bidders.

J. The Purchaser is purchasing the Purchased Assets in good faith and is a good faith buyer within the meaning of Bankruptcy Code § 363(m). The Purchaser proceeded in good faith in connection with all aspects of the Sale, including, but not limited to: (i) complying in all respects with the Bidding Procedures Order; (ii) agreeing to subject its bid to the competitive bidding procedures set forth in the Bidding Procedures Order; and (iii) disclosing all payments to be made by the Purchaser in connection with the Sale. Accordingly, the Purchaser is entitled to all of the protections afforded under Bankruptcy Code § 363(m).

**Highest and Best Offer**

K. The Debtor conducted the sale process in accordance with, and has otherwise complied in all respects with, the Bidding Procedures Order. The sale process set forth in the Bidding Procedures Order afforded a full, fair, and reasonable opportunity for any person or entity to make a higher or otherwise better offer to purchase the Purchased Assets. The opportunity to submit a Qualified Bid, become a Qualified Bidder, and attend the Auction was duly noticed in a non-collusive, fair, and good faith manner and a reasonable opportunity has been given to any interested party to make a higher or otherwise better offer for the Purchased Assets. Due to the lack of any Qualified Bids, other than the APA, no Auction was required under the Bidding Procedures Order.

L. The APA provides for Purchase Consideration of a credit bid pursuant to section 363(k) of the Bankruptcy Code in the amount of \$12 million, as set forth in more detail in Section 2.1 of the APA. In addition, section 1.3 of the APA provides for Purchaser to assume certain liabilities of the Debtor. If this Court or any court of competent jurisdiction, determines that Purchaser does not have a valid right to credit bid the full amount of the Purchase Price pursuant to section 363(k) of the Bankruptcy Code, whether as a result of Purchaser not having a

sufficient secured claim or otherwise, Purchaser shall pay in cash to the Debtor's estate the difference between the Purchase Price and the amount of the secured claim such Court determines that Purchaser has a right to credit bid for the Purchased Assets.

M. The consideration provided by the Purchaser pursuant to the APA (i) is fair and adequate, (ii) is the highest or otherwise best offer for the Purchased Assets, (iii) will provide a greater recovery for the Debtor's estate than would be provided by any other available alternative, and (iv) constitutes reasonably equivalent value (as those terms are defined in each of the Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, and Bankruptcy Code § 548) and fair consideration under the Bankruptcy Code and under the laws of the United States, any state, territory, possession, or the District of Columbia. No other person, entity, or group of entities has offered to purchase the Purchased Assets for greater overall value to the Debtor's estate than the Purchaser. The Debtor's determination that the APA constitutes the highest and best offer for the Purchased Assets constitutes a valid and sound exercise of the Debtor's business judgment. Approval of the Motion and the APA, and the consummation of the transactions contemplated thereby, is in the best interests of the Debtor, its estate, creditors, and other parties in interest.

**No Fraudulent Transfer or Merger**

N. The APA was not entered into for the purpose of hindering, delaying, or defrauding creditors under the Bankruptcy Code or under the laws of the United States, any state, territory, possession, or the District of Columbia. Neither the Debtor nor the Purchaser is fraudulently entering into the transaction contemplated by the APA.

O. By virtue of the transactions contemplated by the APA and this Order, (i) the Purchaser is not a continuation of the Debtor or its estate, there is no continuity between

Purchaser and the Debtor, there is not substantial continuity between Purchaser and the Debtor, there is no common identity between the Debtor and Purchaser, there is no continuity of enterprise between the Debtor and Purchaser, Purchaser is not a mere continuation of the Debtor or estate, and Purchaser does not constitute a successor to the Debtor or its estate, (ii) Purchaser is not holding itself out to the public as a continuation of the Debtor or estate and (iii) the transactions do not amount to a consolidation, merger or *de facto* merger of Purchaser and the Debtor and/or the Debtor's estate.

### **Validity of Transfer**

P. The Debtor has, to the extent necessary and applicable, (i) full corporate power and authority to execute and deliver the APA and all other documents contemplated thereby, (ii) all corporate authority necessary to consummate the transactions contemplated by the APA, and (iii) taken all corporate action necessary to authorize and approve the APA and the consummation of the transactions contemplated thereby. The Sale has been duly and validly authorized by all necessary corporate action. No consents or approvals, other than those expressly provided for in the APA, are required for the Debtor to consummate the Sale, execute the APA, or consummate the transactions contemplated thereby.

Q. The Debtor has (except to the extent otherwise provided in the APA) title to the Purchased Assets.<sup>2</sup> The transfer of the Purchased Assets to the Purchaser will be, as of the Closing Date, a legal, valid, and effective transfer of the Purchased Assets, which transfer vests or will vest the Purchaser with all right, title, and interest of the Debtor to the Purchased Assets free and clear of (i) except as may be specifically provided otherwise in the APA, all liens

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<sup>2</sup> All rights of JPMG Manassas Mall Owner, LLC (the "Manassas Landlord"), with respect to its assertion that the Debtor's lease relating to the location currently being operated by the Debtor at the Manassas Mall in Manassas Virginia was terminated prior to the Petition Date, are preserved and this Order shall not limit any of Manassas Landlord's rights or remedies relating thereto.



relating to, accruing, or arising any time prior to the Closing Date, including, without limitation, any such liens (x) that purport to give to any party a right of setoff or recoupment against, or a right or option to effect any forfeiture, modification, profit sharing interest, right of first refusal, purchase, or repurchase right or option, or termination of, the Debtor's or the Purchaser's interests in the Purchased Assets, or any similar rights, or (y) in respect of taxes, restrictions, rights of first refusal, charges or interests of any kind or nature, if any, including, without limitation, any restriction of use, voting, transfer, receipt of income, or other exercise of any attributes of ownership) (the "Liens") and (ii) all debts arising under, relating to, or in connection with any act of the Debtor or claims (as that term is defined in Bankruptcy Code § 101(5)), liabilities, obligations, demands, guaranties, options, rights, contractual commitments, restrictions, interests, and matters of any kind and nature, whether arising prior to or subsequent to the commencement of this Chapter 11 Case, and whether imposed by agreement, understanding, law, equity or otherwise relating to, accruing or arising any time prior to the Closing Date (collectively in this clause (ii), the "Claims" and, together with the Liens, the "Claims and Interests"), with the exception of any Assumed Liabilities, as defined in the APA (the "Assumed Liabilities").

R. Other than the Assumed Liabilities, Purchaser shall have no obligations with respect to any liabilities of the Debtor or its property, including, without limitation, the liabilities of the Debtor specifically excluded under the APA (the "Excluded Liabilities"), and the Purchaser and its successors and assigns are released and forever discharged from any and all claims, causes of action, obligations, liabilities, demands, damages, losses, costs and expenses of any kind, character or nature whatsoever known or unknown, fixed or contingent, relating to the

Purchased Assets, except as otherwise set forth herein and except for liabilities and obligations arising expressly under, or expressly assumed by Purchaser under the APA.

S. It is the intent of this Order that with respect to any liability assumed by or contract assigned to Purchaser, the Debtor will be discharged from any further liability or obligation thereon.

**Section 363(f) is Satisfied**

T. The conditions of Bankruptcy Code § 363(f) have been satisfied in full; therefore, the Debtor may sell the Purchased Assets free and clear of any Claims and Interests in the property. Notwithstanding any other provision of this Order, including without limitation any findings relating to section 363(f) or those relating to Excluded Liabilities, subject to Paragraphs 21-27 of this Order, nothing in this Order shall alter or impair any liabilities that may be asserted directly against TPP Holdings, LLC, Monroe Capital Partners Fund LP, Monroe Capital Corporation, or Monroe Capital Management Advisors LLC.

U. The Purchaser would not have entered into the APA and would not consummate the transactions contemplated thereby if the Sale of the Purchased Assets to the Purchaser, and the assumption and assignment of the Assigned Contracts to the Purchaser (including any Remaining Contracts subsequently assumed and assigned pursuant to an Assumption Order as provided herein), were not free and clear of all Claims and Interests of any kind or nature whatsoever (except the Assumed Liabilities), or if the Purchaser would, or in the future could, be liable for any of such Claims and Interests.

V. The Debtor may sell the Purchased Assets free and clear of all Claims and Interests against the Debtor, its estate, or any of the Purchased Assets (except the Assumed Liabilities) because, in each case, one or more of the standards set forth in Bankruptcy Code §

363(f)(1)–(5) has been satisfied. Those holders of Claims and Interests against the Debtor, its estate, or any of the Purchased Assets, who did not object, or who withdrew their objections to the Sale or the Motion, are deemed to have consented thereto pursuant to Bankruptcy Code § 363(f)(2). Those holders of such Claims and Interests who did object fall within one or more of the other subsections of Bankruptcy Code § 363(f) and are adequately protected by having their Claims and Interests, if any, in each instance against the Debtor, its estate, or any of the Purchased Assets, attach to the cash proceeds of the Sale ultimately attributable to the Purchased Assets in which such creditor alleges an interest, in the same order of priority, with the same validity, force, and effect that such creditor had prior to the Sale, subject to any claims and defenses the Debtor or its estate may possess with respect thereto.

**Assumption and Assignment of the Assigned Contracts**

W. The assumption and assignment of the Assigned Contracts pursuant to the terms of this Order and the Bidding Procedures Order is integral to the APA and is in the best interests of the Debtor, its estate, creditors, and other parties in interest, and represents the Debtor’s reasonable exercise of sound and prudent business judgment.

X. The respective amounts set forth on Exhibit 1 annexed hereto are the sole amounts necessary under Bankruptcy Code §§ 365(b)(1)(A) and (B) and 365(f)(2)(A) to cure all monetary defaults and pay all actual pecuniary losses under the Assigned Contracts (the “Cure Amounts”).

Y. The Purchaser has demonstrated adequate assurance of future performance with respect to the Assigned Contracts pursuant to Bankruptcy Code § 365(b)(1)(C).

**Compelling Circumstances for an Immediate Sale**

Z. The Debtor has demonstrated through testimony and/or other evidence proffered at the Sale Hearing and the representations of counsel made on the record of the Sale Hearing good and sufficient reasons for approval of the APA and the Sale. The relief requested in the Motion is in the best interests of the Debtor, its estate, its creditors, and other parties-in-interest. The Debtor has demonstrated (i) good, sufficient, and sound business purposes and justifications for approving the APA and (ii) compelling circumstances for the Sale outside of (a) the ordinary course of business, pursuant to Bankruptcy Code § 363(b) and (b) a Chapter 11 plan, in that, among other things, the immediate consummation of the Sale to the Purchaser is necessary and appropriate to maximize the value of the Debtor's estate and the Sale will provide the means for the Debtor to maximize distributions to its creditors.

AA. To maximize the value of the Purchased Assets and preserve the viability of the business to which they relate, it is essential that the Sale occur within the time constraints set forth in the APA. Time is of the essence in consummating the Sale.

BB. Given all of the circumstances of this Chapter 11 Case and the adequacy and fair value of the Purchase Consideration under the APA, the proposed Sale constitutes a reasonable and sound exercise of the Debtor's business judgment and should be approved.

CC. The Sale does not constitute a *sub rosa* Chapter 11 plan for which approval has been sought without the protections that a disclosure statement would afford. The Sale neither impermissibly restructures the rights of the Debtor's creditors nor impermissibly dictates a liquidating Chapter 11 plan for the Debtor.

DD. The consummation of the Sale and the assumption and assignment of the Assigned Contracts is legal, valid, and properly authorized under all applicable provisions of the

Bankruptcy Code, including, without limitation, §§ 105(a), 363(b), 363(f), 363(m), 365(b), and 365(f), and all of the applicable requirements of such Sections have been complied with in respect of the Sale.

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

**General Provisions**

1. The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to these Chapter 11 Cases pursuant to Bankruptcy Rule 9014. To the extent that any of the findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the conclusions of law constitute findings of fact, they are adopted as such.

2. The relief requested in the Motion is granted and approved, and the transactions contemplated thereby and by the APA are approved as set forth in this Order.

3. This Court's findings of fact and conclusions of law set forth in the Bidding Procedures Order are incorporated herein by reference.

4. All objections to the Motion or the relief requested therein that have not been withdrawn, waived, or settled by announcement to the Court during the Sale Hearing or by stipulation filed with the Court, including any and all reservations of rights included in such objections or otherwise, are hereby denied and overruled on the merits with prejudice (except with respect to objections to cure or adequate assurance filed by the landlords of or executory contract counterparties to Remaining Contracts that remain subject to designation). Those parties who did not object or withdrew their objections to the Motion are deemed to have consented pursuant to Bankruptcy Code § 363(f)(2).

**Approval of the APA**

5. The APA and all other documents ancillary thereto, and all of the terms and conditions thereof, are hereby approved.

6. Pursuant to Bankruptcy Code §§ 363(b) and (f), the Debtor is authorized and empowered to take any and all actions necessary or appropriate to (i) consummate the Sale pursuant to and in accordance with the terms and conditions of the APA, (ii) close the Sale as contemplated in the APA and this Order, and (iii) execute and deliver, perform under, consummate, implement, and fully close the APA, including the assumption and assignment of the Assigned Contracts (and the Remaining Contracts upon the entry of an applicable Assumption Order) to the Purchaser, together with all additional ancillary instruments and documents that may be reasonably necessary or desirable to implement the APA and the Sale.

7. This Order shall be binding in all respects upon (a) the Debtor, (b) the Debtor's estate, (c) all creditors of, and holders of equity interests in, the Debtor, (d) all holders of Claims and Interests, encumbrances or other interests (whether known or unknown) in, against, or on all or any portion of the Purchased Assets, (e) all Assumed Contract counterparties (and Remaining Contract counterparties upon the entry of an applicable Assumption Order), (f) the Purchaser and all successors and assigns of the Purchaser, (g) the Purchased Assets, and (h) any trustee subsequently appointed in the Debtor's Chapter 11 Case, or a Chapter 7 trustee appointed upon a conversion of this Chapter 11 Case to a case under Chapter 7 of the Bankruptcy Code, provided, however, that nothing in this Order (including but not limited to any findings of fact or conclusions of law) or the APA shall operate as, or be deemed to constitute, a waiver, modification, alteration or impairment of, or shall have any preclusive, estoppel or res judicata effect with respect to, any Challenge (as defined in the Final DIP Order) that may be asserted

under the Final DIP Order, or any other Excluded Claims that may be asserted by the Official Committee of Unsecured Creditors for the Debtor (the "Committee"); and provided, further, that nothing in this Order or the APA shall alter or affect the availability of any insurance policies that might provide coverage related to the Excluded Claims. This Sale Order and the APA shall inure to the benefit of the Debtor, its estate and creditors, the Purchaser, and the respective successors and assigns of each of the foregoing.

### **Transfer of the Purchased Assets**

8. Pursuant to Bankruptcy Code §§ 105(a), 363(b), 363(f), 365(b), and 365(f), the Debtor is authorized to transfer the Purchased Assets to the Purchaser on the Closing Date and such transfer shall (a) constitute a legal, valid, binding, and effective transfer of the Purchased Assets, (b) vest the Purchaser with title to the Purchased Assets, and upon the Debtor's receipt of the Purchase Consideration, such Purchased Assets shall be free and clear of all Claims and Interests (other than Assumed Liabilities), with such Claims and Interests to attach to cash proceeds of the Sale, if any, in the order of their priority, with the same validity, force, and effect which they now have as against the Purchased Assets (subject to any claims and defenses the Debtor or its estate may possess with respect thereto). Upon the closing of the Sale, the Purchaser shall take title to and possession of the Purchased Assets subject only to the Assumed Liabilities. On the Closing Date, this Order shall be construed and shall constitute for any and all purposes a full and complete general assignment, conveyance, and transfer of the Debtor's interests in the Purchased Assets. This Order is and shall be effective as a determination that, on the Closing Date, all Claims and Interests and any other interest of any kind or nature whatsoever existing as to the Purchased Assets prior to the Closing Date, other than the Assumed Liabilities,

shall have been unconditionally released, discharged, and terminated, and that the conveyances described herein have been effected.

9. Other than the Assumed Liabilities, Purchaser shall have no obligations with respect to any claims or interests asserted against the Debtor or its property, including the Excluded Liabilities, and the Purchaser and its successors and assigns are released and forever discharged from any and all such adverse interests arising under or out of, in connection with, or in any way relating to, the Debtor, the Purchased Assets, the ownership, sale or operation of the Purchased Assets and the business prior to the Closing or the transfer of the Purchased Assets to Purchaser, except for (i) the Assumed Liabilities under the APA, and (ii) as may be provided under Paragraphs 23-27 of the Final DIP Order. Except as may be provided otherwise in the APA, the holders of claims related to the Assumed Liabilities shall have the right to seek payment directly from Purchaser on account of the Assumed Liabilities; provided, however, that Purchaser reserves any and all rights with regard to such Assumed Liabilities, including, but not limited to, Purchaser's rights under the APA. Subject to Paragraphs 21-27 of this Order, the Closing of the Sale shall be deemed a novation of and extinguish any claim that Monroe Capital Management Advisors LLC, Monroe Capital Partners Fund LP, and Monroe Capital Corporation, Purchaser, or any of their respective successors and assigns may have against the Debtor the estate with respect to the DIP Financing Obligations or the Pre-Petition Financing Obligations that is in excess of any valid Credit Bid.

10. The Debtor is hereby authorized to take any and all actions necessary to consummate the transactions contemplated by the APA, including any actions that otherwise would require further approval by the Debtor's board of directors or board of managers, as the case may be, without the need of obtaining such approvals.



11. The transactions authorized herein shall be of full force and effect, regardless of the Debtor's lack of good standing in any jurisdiction in which they are formed or authorized to transact business. Upon consummation of the transactions set forth in the APA, the Purchaser shall be authorized to file termination statements or lien terminations in any required jurisdiction to remove any record, notice filing, or financing statement recorded to attach, perfect, or otherwise notice any lien or encumbrance, with respect to the Purchased Assets, that is extinguished or otherwise released pursuant to this Order under § 363 and the related provisions of the Bankruptcy Code.

12. Subject to the terms, conditions, and provisions of this Order, all entities are hereby forever prohibited and enjoined from taking any action that would adversely affect or interfere with the ability of the Debtor to sell and transfer the Purchased Assets to the Purchaser in accordance with the terms of the APA and this Order.

13. Subject to the terms, conditions, and provisions of this Order, all entities that are in possession of some or all of the Purchased Assets on the Closing Date are directed to surrender possession of such Purchased Assets to the Purchaser or its assignee at the closing of the Sale.

14. The transfer of the Purchased Assets to the Purchaser pursuant to the APA does not require any consents other than as specifically provided for in the APA.

15. A copy of this Order may be filed with the appropriate clerk and/or recorded with the recorder of any state, county, or local authority to effect a cancellation of any of the Claims and Interests of record except the Assumed Liabilities.

16. If any person or entity which has filed statements or other documents evidencing Claims and Interests on, or in, all or any portion of the Purchased Assets (other than statements

or documents with respect to Assumed Liabilities) shall not have delivered to the Debtor prior to the Closing Date, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, releases of liens and easements, and any other documents necessary for the purpose of documenting the release of all liens or interests which the person or entity has or may assert with respect to all or any portion of the Purchased Assets, the Debtor is hereby authorized and directed, and the Purchaser is hereby authorized, on behalf of the Debtor and each of its creditors, to execute and file such statements, instruments, releases, and other documents on behalf of such person or entity with respect to the Purchased Assets.

17. This Order is and shall be binding upon and govern the acts of all persons and entities, including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register, or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any lease; and each of the foregoing persons and entities is hereby directed to accept for filing any and all of the documents and instruments necessary and appropriate to consummate the transactions contemplated by the APA.

18. To the greatest extent available under applicable law, the Purchaser shall be authorized, as of the Closing Date, to operate under any license, permit, registration, and governmental authorization or approval of the Debtor with respect to the Purchased Assets, and all such licenses, permits, registrations, and governmental authorizations and approvals are

deemed to have been, and hereby are, deemed to be transferred to the Purchaser as of the Closing Date.

19. In accordance with Bankruptcy Code § 525, no governmental unit may revoke or suspend any permit or license relating to the operation of the Purchased Assets sold, transferred, or conveyed to the Purchaser on account of the filing or pendency of the Debtor's Chapter 11 Case or the consummation of the transactions contemplated by the APA.

### **The Wind-Down Reserve**

20. Pursuant to the terms of the Final DIP Order,<sup>3</sup> on or prior to the Closing Date, the Lenders under the DIP Loan Agreement (as defined in the Final DIP Order) will fund the Debtor's final draw on the DIP Facility (as defined in the Final DIP Order) in accordance with the Approved Budget (as defined in the Final DIP Order) sufficient to fund the wind-down expenses identified in the Approved Budget (the "Wind-Down Reserve"). The Wind-Down Reserve (which shall continue to be subject to the DIP Liens and Superpriority Claims of the DIP Agent, for the benefit of itself and the DIP Lenders), will be held by the Debtor and applied and paid strictly in accordance with the Approved Budget payee allocations contained in the Approved Budget. At the end of the period covered by the Wind-Down Reserve, the remaining undisbursed balance of the Wind-Down Reserve shall be returned to the DIP Lenders for application to the DIP Obligations.

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<sup>3</sup> See Final Order Pursuant To 11 U.S.C. §§ 105, 361, 362, 363, 364, And 507 And Fed. R. Bankr. P. 2002, 4001 And 9014 (I) Authorizing Debtor And Debtor In Possession To Obtain Post-Petition Financing, (II) Authorizing Use Of Cash Collateral, (III) Granting Liens And Super-Priority Claims, (IV) Granting Adequate Protection To Prepetition Lenders, (V) Modifying The Automatic Stay, And (VI) Granting Related Relief, Entered October 7, 2016 (Docket No. 230) ("Final DIP Order").

**Prohibition of Actions Against the Purchaser**

21. Except for the Assumed Liabilities, or as otherwise expressly provided for in this Order or the APA, the Purchaser shall not have any liability or other obligation of the Debtor arising under or related to any of the Purchased Assets.

22. Except with respect to Assumed Liabilities, or as otherwise permitted by the APA or this Order, all persons and entities, including, but not limited to, all debt security holders, equity security holders, governmental, tax and regulatory authorities, lenders, trade creditors, litigation claimants, and other creditors, holding Claims and Interests or other interests of any kind or nature whatsoever against or in all or any portion of the Purchased Assets (whether legal or equitable, secured or unsecured, matured or unmatured, contingent or non-contingent, liquidated or unliquidated, senior or subordinate), arising under or out of, in connection with, or in any way relating to the Debtor, the operation of the Debtor's business prior to the Closing Date, or the transfer of the Purchased Assets to the Purchaser, hereby are forever barred, estopped, and permanently enjoined from asserting against the Purchaser or its' successors, assigns, or properties, or the Purchased Assets, such persons' or entities' Claims and Interests or any other interests in and to the Purchased Assets, including, without limitation, the following actions: (a) commencing or continuing in any manner any action or other proceeding against the Purchaser or its successors, assigns, or properties, or the Purchased Assets; (b) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or order against the Purchaser or its successors, assigns, or properties, or the Purchased Assets; (c) creating, perfecting, or enforcing any Claims and Interests against the Purchaser or its successors, assigns, or properties, or the Purchased Assets; (d) asserting any setoff, right of subrogation or recoupment of any kind against any obligation due the Purchaser or its successors, assigns, or

properties or the Purchased Assets; (e) commencing or continuing any action, in any manner or place, that does not comply with or is inconsistent with the provisions of this Order, other orders of the Court, or the APA or actions contemplated or taken in respect thereof; or (f) revoking, terminating, or failing or refusing to transfer or renew any license, permit, or authorization to operate any of the Purchased Assets or conduct any of the businesses operated with the Purchased Assets. Notwithstanding the foregoing, nothing in this Order is intended to modify, abridge, or otherwise alter Paragraphs 23-27 of the Final DIP Order.

23. The Purchaser has provided substantial consideration under the APA for the benefit of the Debtor, its estate, and its creditors. The consideration provided by the Purchaser shall constitute valid and valuable consideration for the releases of any potential Claims and Interests pursuant to this Order, which releases shall be deemed to have been given in favor of the Purchaser by all holders of Claims and Interests against the Debtor or any of the Purchased Assets, other than holders of Claims and Interests relating to the Assumed Liabilities. The consideration provided by the Purchaser for the Purchased Assets under the APA is fair and reasonable and accordingly the Sale may not be avoided under Bankruptcy Code § 363(n).

**No Successor or Transferee Liability**

24. The Purchaser shall not be deemed, as a result of any action taken in connection with the APA, the consummation of the transactions, or the transfer, operation or use of the Purchased Assets to (a) be a legal successor, or otherwise be deemed a successor to the Debtor (other than, for Purchaser, with respect to any obligations as an assignee under (i) the Assigned Contracts or (ii) the Remaining Contracts assumed and assigned pursuant to an Assumption Order); (b) have, *de facto* or otherwise, merged with or into the Debtor; or (c) be an alter ego or a mere continuation or substantial continuation of the Debtor, including within the meaning of any

foreign, federal, state or local revenue, pension, ERISA, tax, labor, employment, environmental, or other law, rule or regulation (including filing requirements under any such laws, rules or regulations), or under any products liability law or doctrine with respect to the Debtor's liability under such law, rule or regulation or doctrine.

25. Except as expressly provided in the APA with respect to Assumed Liabilities, the Purchaser shall have no liability whatsoever with respect to the Debtor's (or its predecessors or affiliates) businesses or operations or any of the Debtor's (or its predecessors' or affiliates') obligations (as described below, "Successor or Transferee Liability") based, in whole or part, directly or indirectly, on any theory of successor or vicarious liability of any kind or character, or based upon any theory of antitrust, environmental, successor or transferee liability, *de facto* merger or substantial continuity, labor and employment or products liability, whether known or unknown as of the Closing, now existing or hereafter arising, asserted or unasserted, fixed or contingent, liquidated or unliquidated, including any liabilities or non-monetary obligations on account of any settlement or injunction, or any taxes arising, accruing or payable under, out of, in connection with, or in any way relating to the operation of the Purchased Assets or the Business prior to the Closing or such later time as Purchaser is assigned and assumes any Remaining Contract.

26. Except as expressly provided in the APA with respect to the Assumed Liabilities, nothing in this Order or the APA shall require the Purchaser to (a) continue or maintain in effect, or assume any liability in respect of any employee, pension, welfare, fringe benefit or any other benefit plan, trust arrangement or other agreements to which the Debtor are a party or have any responsibility therefor including medical, welfare and pension benefits payable after retirement or other termination of employment; or (b) assume any responsibility as a fiduciary, plan sponsor

or otherwise, for making any contribution to, or in respect of the funding, investment or administration of any employee benefit plan, arrangement or agreement (including but not limited to pension plans) or the termination of any such plan, arrangement or agreement.

27. Notwithstanding anything in the APA to the contrary, including without limitation Section 1.4(e), Purchaser agrees to assume any and all liabilities and obligations of Debtor for unpaid compensation accrued by Debtor's employees for hours worked and services performed in connection with their employment with Debtor from October 31, 2016 through the Closing Date.

**Assumption and Assignment of Contracts**

28. Pursuant to Bankruptcy Code §§ 105(a) and 365, and subject to and conditioned upon the closing of the Sale, the Debtor's assumption and assignment to the Purchaser, and the Purchaser's assumption on the terms set forth in the APA, of the Assigned Contracts (and the Remaining Contracts upon entry of an applicable Assumption Order) is hereby approved, and the requirements of Bankruptcy Code § 365(b)(1) with respect thereto are hereby deemed satisfied.

29. The Debtor is hereby authorized and directed in accordance with Bankruptcy Code §§ 105(a), 363, and 365 to (a) assume and assign to the Purchaser, effective upon the Closing Date, the Assigned Contracts free and clear of all Claims and Interests or other interests of any kind or nature whatsoever and (b) execute and deliver to the Purchaser such documents or other instruments as may be necessary to assign and transfer the Assigned Contracts to the Purchaser.

30. The Assigned Contracts shall be transferred to, and remain in full force and effect for the benefit of, the Purchaser in accordance with their respective terms, notwithstanding any provision in any such Contract (including those of the type described in Bankruptcy Code §§

365(b)(2) and (e)) that prohibits, restricts, or conditions such assignment or transfer and, pursuant to Bankruptcy Code § 365(k), the Debtor shall be relieved from any further liability with respect to the Assigned Contracts after such assignment to and assumption by the Purchaser.

31. Effective on the Closing Date, subject to the payment of Cure Amounts, all defaults or other obligations of the Debtor under the Assigned Contracts arising or accruing prior to the Closing Date (without giving effect to any acceleration clauses or any default provisions of the kind specified in Bankruptcy Code § 365(b)(2)), whether monetary or non-monetary, shall be deemed cured.

32. To the extent a Contract counterparty failed to timely object to a Cure Amount, such Cure Amount shall be deemed to be finally determined and any such Contract counterparty shall be prohibited from challenging, objecting to, or denying the validity and finality of the Cure Amount at any time, and such Cure Amount, when paid, shall completely revive any Assumed Contract (or Remaining Contract upon entry of an applicable Assumption Order) to which it relates. No sections or provisions of any Contract that purport to provide for additional payments, penalties, charges, or other financial accommodations in favor of the Contract counterparty to the Contracts shall have any force and effect with respect to the Sale and assignments authorized by this Order, and such provisions constitute unenforceable anti-assignment provisions under Bankruptcy Code § 365(f) and are otherwise unenforceable under Bankruptcy Code § 365(e), but only in connection with the Sale. No assignment of any Contract pursuant to the terms of the APA shall in any respect constitute a default under any Contract. The contract counterparty to each Assumed Contract (and Remaining Contract upon entry of an applicable Assumption Order) shall be deemed to have consented to such assignment under



Bankruptcy Code § 365(c)(1)(B), and the Purchaser shall enjoy all of the Debtor's rights and benefits under each such Contract as of the applicable date of assumption without the necessity of obtaining such Contract counterparty's written consent to the assumption or assignment thereof.

33. All Assumed Contract counterparties (and Remaining Contract counterparties upon entry of an applicable Assumption Order) shall cooperate and expeditiously execute and deliver, upon the reasonable requests of the Purchaser, and shall not charge the Debtor or the Purchaser for any instruments, applications, consents, or other documents which may be required or requested by any public or quasi-public authority or other party or entity to effectuate the applicable transfers of the Contracts in connection with the Sale.

34. With respect to objections to any Cure Amounts that remain unresolved as of the Sale Hearing, such objections shall be resolved in accordance with the procedures approved in the Bidding Procedures Order.

35. Nothing in this Order, the Motion, or in any notice or any other document is or shall be deemed an admission by the Debtor that any Contract is an executory contract or unexpired lease or must be assumed and assigned pursuant to the APA or in order to consummate the Sale.

36. The failure of the Debtor or the Purchaser to enforce at any time one or more terms or conditions of any Contract shall not be a waiver of such term(s) or condition(s) or of the Debtor's and Purchaser's rights to enforce every term and condition of such Contract.

37. All Contract counterparties are forever barred and enjoined from raising or asserting against the Purchaser any assignment fee, default, breach, Claim, pecuniary loss, or condition to assignment arising under or related to the Contracts existing as of the Closing Date

or arising by reason of the closing of the Sale, except for any amounts that are Assumed Liabilities.

38. Pursuant to Sections 1.6 and 1.7 of the APA and paragraph 29 of the Bidding Procedures Order, from and after the Closing Date through the Designation Deadline, Purchaser shall provide written notice to the Debtor (and the Debtor shall provide such notice to the affected landlords or counterparties within three (3) Business Days of receiving such notice from Purchaser, which notice the Debtor agrees to provide) designating certain of the Debtor's Remaining Contracts for either (x) assumption by the Debtor and assignment to the Purchaser (each, a "Subsequently Assumed Contract") or (y) exclusion and rejection (or to be rejected to the extent executory) (each an "Excluded Contract").

39. From and after the Closing and through December 31, 2016 (unless extended at the election of the Purchaser pursuant to the terms of the APA and conditioned on entry of the Court's order further extending Debtor's time to assume or reject unexpired real property leases under Bankruptcy Code section 365(d)(4)), Purchaser shall sublease those of Debtor's locations which are Undesignated Stores under Section 1.7 (c) of the APA to which objections or joinder were filed by the respective landlords to the absence of such sublease relationship under the APA. Such subleases may be in a summary form, reasonably acceptable to the respective landlords and the Purchaser. Such subleases shall require Purchaser's performance of Debtor's post-Closing monetary and nonmonetary obligations under the respective leases for the term of the subleases, including the provision of insurance coverage naming respective landlords as additional insureds. In the event any of Debtor's leases are assumed and assigned to Purchaser prior to the Designation Deadline such that such lease becomes a Subsequently Assumed

Contract pursuant to the terms of the APA, the sublease for that location shall terminate upon the effective date of such assumption and assignment.

40. After the Closing and prior to December 31, 2016 (unless extended by the Purchaser pursuant to the terms of the APA), the Debtor shall not terminate, amend, supplement, modify, waive any rights under, or create any Adverse Interest with respect to any Remaining Contract, or take any affirmative action not required thereby, without the prior written consent of Purchaser (not to be unreasonably withheld or delayed) unless Purchaser has provided written notice to Debtor designating such Remaining Contract for rejection pursuant to the APA. After receiving written notice from Purchaser to assume and assign a Remaining Contract, the Debtor shall use commercially reasonable efforts to obtain an order of the Court to assume and assign such Remaining Contract to Purchaser (the "Assumption Order") in accordance with the Assumption and Assignment Procedures set forth herein and in paragraph 29 of the Bidding Procedures Order. Any applicable Cure Amount for the assumption and assignment of a Remaining Contract shall be paid by the Purchaser. For any Remaining Contract that has not been designated as of the Closing as an Excluded Contract or an Assumed Contract under the APA, until the Rejection Effective Date or entry of an applicable Assumption Order, Purchaser shall (i) pay to the Debtor or pay directly to the requisite third party, as applicable, an amount equal to the costs and expenses required to be paid by the Debtor after Closing in performing obligations under such Remaining Contract, if any, as and when such amounts come due (subject to and in accordance with the APA)<sup>4</sup> and (ii) be obligated to perform or cause to be performed all of Debtor's obligations arising after the Closing under such Remaining Contract, and Purchaser

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<sup>4</sup> Notwithstanding anything to the contrary in the APA, the Rejection Effective Date shall be the later of (i) the effective date of rejection as provided in the Rejection Order (as defined below), (ii) the Designation Deadline, or (iii) solely with respect to Remaining Contracts that are leases, the date the leased premises are delivered to the landlord by delivery of the keys, key codes and security codes to such landlord, and shall constitute the Rejection Effective Date for all purposes under this Order and the APA.

shall be entitled to all benefits of Debtor thereunder; provided, that no Cure Amount shall be due with respect to such Remaining Contract unless and until such Remaining Contract is designated as a Subsequently Assumed Contract and assumed pursuant to an Assumption Order. Until such time as an Assumption Order or Rejection Order have been entered, the Debtor shall remain liable to the counterparty of any such Remaining Contract for all obligations under any Remaining Contract until the occurrence of the Rejection Date or the entry of an applicable Assumption Order (subject to any rights to indemnification or repayment owed by Purchaser to Debtor under this Order or the APA). The Debtor shall continue to maintain property and other applicable insurance relating to the Remaining Contracts that constitute leases and Purchaser shall likewise be required to obtain appropriate insurance coverage sufficient to provide the protections required pursuant to the terms of all leases that constitute Remaining Contracts through the Rejection Effective Date or entry of an applicable Assumption Order.

41. In the event Purchaser has not provided a written designation to assume and assign or reject any Remaining Contract by the Designation Deadline, then such Remaining Contract shall be deemed to be an Excluded Contract and the Debtor may move to reject such Remaining Contract as of December 31, 2016, and the Debtor shall not have any obligation to assign such Remaining Contract to Purchaser. The Purchaser shall be obligated to pay to the Debtor or pay directly to the requisite third party, as applicable, an amount equal to the costs and expenses required to be paid by the Debtor after Closing and through the Rejection Effective Date, in performing obligations under such Remaining Contracts, if any, as and when such amounts come due.

**Assumption and Assignment Procedures**

42. In the case of any Remaining Contracts that the Debtor seeks to assume and assign after the Closing Date pursuant to the APA, within five (5) Business Days following delivery of a notification by Purchaser that a Remaining Contract is designated for assumption and assignment, the Debtor will file with the Court a written notice of the Debtor's intent to assume and assign such Remaining Contract (an "Assumption Notice"), substantially in the form attached hereto as Exhibit 2.

43. The Debtor will serve such Assumption Notice via overnight delivery on each of the following parties (the "Assumption Notice Parties"): (a) each counterparty or landlord to any Remaining Contract (and their counsel, if known) to be assumed or assigned by the Debtor, (b) the Office of the United States Trustee, (c) counsel to the Committee and (d) counsel to the Purchaser.

44. The Assumption Notice will set forth the following information, to the best of the Debtor's knowledge: (a) the street address of the real property that is the subject of any Remaining Contract that is a lease that the Debtor seeks to assume and assign or a description of the contract that the Debtor seek to assume and assign, (b) the name and address of the affected counterparties or landlords (and their counsel, if known), (c) a description of the deadlines and procedures for filing objections to the Assumption Notice (as set forth below), (d) the name of the Purchaser (the "Proposed Assignee"), (e) information regarding how a non-debtor party to a Remaining Contract may obtain additional information regarding the Proposed Assignee, (f) any Cure Amounts, including amounts that arise solely following the deadline to object to the Sale and have not otherwise been paid in the ordinary course, if any, and (g) a proposed Assumption Order (the "Proposed Assumption Order").

45. Notwithstanding anything to the contrary in this Order, a party in interest may object following the Closing to the proposed assumption and assignment by the Debtor of a Remaining Contract following the Closing. Any such objection to the proposed assumption and assignment by the Debtor of a Remaining Contract following the Closing must be in writing and filed and served so that such objection is filed with this Court and actually received by the Debtor and the Assumption Notice Parties no later than fifteen (15) days after the date the Debtor served the applicable Assumption Notice. Nothing in this Order shall be deemed to abridge, waive, modify or limit any objection that affected landlords or counterparties may have to the Purchaser's subsequent exercise of designation rights pursuant to Sections 1.6 and 1.7 of the APA and the proposed assumption and assignment of any of Debtor's Remaining Contracts (including any real property leases), including, without limitation, objections to the scope of Assumed Liabilities and Excluded Liabilities under the APA as applied to executory contracts or unexpired nonresidential real property leases to be assumed and assigned under Bankruptcy Code section 365. Such objections, and any response thereto, shall be reserved for the hearing on any such proposed assumption and assignment.

46. If no timely permitted objection is filed and served with respect to the Assumption Notice, any non-Debtor party to such Remaining Contract shall be deemed to have provided the required consent to the assumption and assignment of such Remaining Contract, and the Debtor shall present a Proposed Assumption Order for entry by the Court. The Proposed Assumption Order shall provide, among other things, that (a) the assumption and assignment of such Remaining Contract is approved, final and effective pursuant to section 365 of the Bankruptcy Code as of the date of the Assumption Notice and (b) the Proposed Assignee provided adequate assurance of future performance under the applicable Remaining Contract in

accordance with section 365(f)(2)(B) of the Bankruptcy Code and if applicable, section 365(b)(3) of the Bankruptcy Code.

47. If a timely permitted objection is properly filed and served on the Assumption Notice Parties in the manner specified above, unless the parties agree otherwise in writing, a hearing will be scheduled to consider that objection. If that objection is overruled by the Court or withdrawn, the Proposed Assumption Order shall be entered and shall become a final Assumption Order and shall provide that the assumption and assignment of the affected Remaining Contract shall be deemed effective as of the date of the Assumption Notice.

#### **Rejection Procedures**

48. As set forth more fully in the APA, in the case of any Remaining Contract that the Purchaser does not want to assume and assign, within five (5) days following delivery of a notification by Purchaser that a Remaining Contract is designated for rejection, the Debtor shall move to reject such Remaining Contract by filing with the Court a written notice of the Debtor's intent to reject such Remaining Contract (a "Rejection Notice"), substantially in the form attached hereto as Exhibit 3. Within three (3) Business Days of delivery of notification by Purchaser of its intention to reject a Remaining Contract, the Debtor shall serve such Rejection Notice via overnight delivery on each of the following parties (the "Rejection Notice Parties"): (a) each counterparty or landlord to any Remaining Contract (and their counsel, if known) to be rejected by the Debtor, (b) the Office of the United States Trustee, (c) counsel to the Committee and (d) counsel to the Purchaser.

49. The Rejection Notice will set forth the following information, to the best of the Debtor's knowledge: (a) the street address of the real property that is the subject of a Remaining Contract that is a lease that the Debtor seeks to reject or a description of the contract that the

Debtor seeks to reject, (b) the name and address of the affected counterparties or landlords (and their counsel, if known), (c) a description of the deadlines and procedures for filing objections to the Rejection Notice (as set forth below), and (d) the proposed order approving the rejection (the “Rejection Order”).

50. Should a party in interest object to the proposed rejection by the Debtor to a Remaining Contract, such party must file and serve a written objection so that such objection is filed with this Court and actually received by the Debtor and the Rejection Notice Parties no later than ten (10) days after the date the Debtor served the Rejection Notice.

51. If a timely objection is properly filed and served on the Rejection Notice Parties, unless the parties agree otherwise in writing, a hearing will be scheduled to consider that objection. If that objection is overruled by the Court or withdrawn, the rejection of the affected Remaining Contract shall be deemed effective as of the applicable Rejection Effective Date.

52. If no timely objection is filed and served with respect to the rejection of a Remaining Contract within ten (10) days after delivery of the Rejection Notice, the Debtor may file the proposed Rejection Order, which shall provide, among other things, that the rejection of such Remaining Contract shall become effective as of the applicable Rejection Effective Date.

53. In connection with the rejection of a Remaining Contract that is a lease, if the Debtor has deposited monies with a lessor as a security deposit or other arrangement, such lessor may not set off or recoup or otherwise use such deposit without the prior approval of the Court.

54. If an affected landlord or counterparty or any other party in interest (the “Rejection Claimant”) asserts a claim or claims against the Debtor arising from the rejection of a Remaining Contract, such Rejection Claimant shall submit a proof of claim on or before the later of (a) the date that is 30 days after the entry of the Rejection Order or (b) the date established by



the Court in the order shortening the bar date [Docket 261]. If the Rejection Claimant does not timely file such proof of claim, such claimant shall be forever barred from asserting a claim against the Debtor for such rejection damages.

**The Sale Does Not Require the Appointment of a Consumer Privacy Ombudsman**

55. Section 363(b)(1) of the Bankruptcy Code provides that a debtor may not sell or release personally identifiable information about individuals unless such sale or lease is consistent with its policies or upon appointment of a consumer privacy ombudsman pursuant to section 332 of the Bankruptcy Code. 11 U.S.C. § 363(b)(1).

56. The Purchaser shall be subject to reasonable restrictions by the Debtor in order to comply with the Debtor's privacy policy, which broadly provides that, if the Debtors or any portion of their assets are acquired, the Debtor may share all types of information with the acquiring company. Therefore, appointment of a consumer privacy ombudsman is unnecessary.

**Approval of the TSA**

57. In connection with the consummation of the transactions contemplated by the APA and this Sale Order, and in accordance with Sections 8.2, 8.5, and 8.6 of the APA, Purchaser and the Debtor have entered into that certain Transition Services Agreement (the "TSA") pursuant to which the Debtor has agreed to provide and Purchaser has agreed to receive from Debtor certain services on an interim transitional basis following the Closing pursuant to the terms and conditions set forth in the TSA. The TSA is hereby approved on the terms described therein.

**Other Provisions**

58. This Order, the APA, and all documents ancillary thereto shall be binding in all respects upon all of the Debtor's creditors and equity-holders, all Contract counterparties, all successors and assigns of the Debtor, and any of its respective affiliates and subsidiaries, any

trustees, examiners, “responsible persons,” or other fiduciaries appointed in the Debtor’s Chapter 11 Case or upon a conversion of the Chapter 11 Case to a case under Chapter 7 of the Bankruptcy Code. The APA and any documents ancillary thereto shall not be subject to rejection or avoidance under any circumstances.

59. The APA and all documents ancillary thereto may be modified, amended, or supplemented by the parties thereto in a writing signed by the parties, in accordance with the terms thereof, without further order of the Court; provided that any such modification, amendment, or supplement does not have a material adverse effect on the Debtor’s estate. The Debtor and Purchaser may agree to exclude certain assets or Contracts from the APA prior to the Closing Date that do not result in any reduction of the Purchase Price set forth in Section 2.1 of the APA; provided, however, Purchaser shall not exclude any asset or Contract from the APA if such exclusion would result in any increased claim or liability asserted against the Debtor or the estate without giving the Committee at least five (5) business days’ written notice of such intention to so exclude any Contract or asset.

60. The transactions contemplated by the APA are undertaken by the Purchaser without collusion and in good faith, as that term is defined in Bankruptcy Code § 363(m), and, accordingly, the reversal or modification on appeal of the authorization provided herein to consummate the Sale shall not affect the validity of the Sale, unless such authorization and such Sale are duly stayed pending such appeal. The Purchaser is a good faith buyer within the meaning of Bankruptcy Code § 363(m) and, as such, is entitled to the full protections of Bankruptcy Code § 363(m).

61. In the event Purchaser is unable to, refuses to, or otherwise fails to make a payment required under the APA or this Order when due, Monroe Capital Partners Fund LP and

Monroe Capital Corporation (collectively, “Monroe”) shall be jointly and severally liable for the amount of such payment, and any dispute as to the amount or validity of such payment obligation owing by Monroe shall be subject to the exclusive jurisdiction of this Court.

62. Nothing contained in any plan of reorganization or liquidation, or order of any type or kind entered in (a) this Chapter 11 Case, (b) any subsequent Chapter 7 case into which the Chapter 11 Case may be converted, or (c) any related proceeding subsequent to entry of this Order, shall conflict with or derogate from the provisions of the APA or the terms of this Order.

63. No bulk sales law or any similar law of any state or other jurisdiction applies in any way to the Sale.

64. The failure to specifically include any particular provision of the APA in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the APA be authorized and approved in its entirety. All of the provisions of this Order are non-severable and mutually dependent.

65. The Court shall retain jurisdiction to, among other things, interpret, implement, and enforce the terms and provisions of this Order and the APA, all amendments thereto, and any waivers and consents thereunder, and each ancillary document executed in connection therewith to which the Debtor are a party or which has been assigned by the Debtor to the Purchaser, and to adjudicate, if necessary, any and all disputes concerning or relating in any way to the Sale, including, but not limited to, retaining jurisdiction to (a) compel delivery of the Purchased Assets to the Purchaser, (b) interpret, implement, and enforce the provisions of this Order, (c) protect the Purchaser against any Claims and Interests or any other interest in or against the Debtor or the Purchased Assets of any kind or nature whatsoever attaching to the proceeds of the Sale, and (d) enter any orders under Bankruptcy Code §§ 363 or 365 with respect to the Contracts.

66. For the avoidance of doubt, nothing in this Order is intended to abridge, modify or otherwise alter Paragraphs 23-27 of the Final DIP Order.

67. This Order shall take effect immediately and shall not be stayed pursuant to Bankruptcy Rules 6004(h), 6006(d), 7062, 9014, or otherwise. The Debtor and the Purchaser are authorized to close the Sale immediately upon entry of this Order.

68. To the extent that this Order is inconsistent with the APA (including all documents ancillary thereto) or any prior order or pleading with respect to the Motion in this Chapter 11 Case, the terms of this Order shall govern.

### END OF ORDER ###

**Submitted by:**

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Ian T. Peck  
State Bar No. 24013306

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**ATTORNEYS FOR DEBTOR AND DEBTOR IN  
POSSESSION**

**EXHIBIT 1**

**Cure Amount Schedule**

The Picture People  
Contract Cure Schedule for APA

## Exhibit 1

Contract Counterparty	Description of Contract or Lease	Debtor Cure Amount	Contract Comments:
PSI Payroll Services, Inc.	Canadian Payroll Company	\$ -	
Groupon	Daily Deal Distribution - Revenue Share Agreement	\$ -	
SendGrid	Email Delivery Service	\$ -	
Microsoft Corporation	Office 365 - Software as a service subscription	\$ -	
Buy Buy Baby, Inc.	Partner	\$ -	
Costco	Partner	\$ -	
Sears Holdings Management Corp.	Partner	\$ -	Cure originally reported as \$10k, nothing due.
Wal-Mart MLA	Partner	\$ -	
FSV Payment Systems	Pay Card Company	\$ -	
Security Metrics	PCI Testing Service	\$ -	
Barracuda Networks	Security Appliance Support /Maintenance	\$ -	
Cisco	Security Appliance Support /Maintenance	\$ -	
Barracuda Networks	Security Software Subscription	\$ -	
Google	SEM Services	\$ 227,891.89	
Cummins	Service/Maintenance - For Generator	\$ -	
Twilio	SMS Delivery Service	\$ -	
Fresh Service	Software as a service subscription - Walmart	\$ -	
Darkroom Software	Software Licensing - Production	\$ -	
PhotoReflect, LLC.	Software Licensing - Production	\$ -	
Symantec Corporation	Software Licensing	\$ -	
VMWare	Software Licensing	\$ -	
StudioPlus Software, LLC	Software Subscription - Walmart	\$ -	
Microsoft Corporation	Volume Licensing	\$ -	
Fields Texas	Partner Contract	\$ -	Not on original contract cure schedule.
AKF2 Cardinal Park, LLC	Lease - 1155 Kas Drive, Suite 180	\$ 490.07	Amount was \$0.0 on original cure schedule.
	<b>Total</b>	<b>\$ 228,381.96</b>	

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION

Exhibit 2

In re: § Chapter 11  
§  
TPP ACQUISITION, INC. d/b/a The § Case No. 16-33437-hdh-11  
Picture People, §  
§  
Debtor. §

**SUPPLEMENTAL NOTICE OF (I) DEBTOR’S REQUEST FOR AUTHORITY TO ASSUME AND ASSIGN CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES, AND (II) DEBTOR’S PROPOSED CURE AMOUNTS**

**PLEASE TAKE NOTICE** that on September 2, 2016, TPP Acquisition, Inc. d/b/a The Picture People, debtor-in-possession in the above-referenced chapter 11 cases (the “Debtor”), filed a voluntary petition for relief under Chapter 11 of Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Texas (the “Court”).

**PLEASE TAKE FURTHER NOTICE** that on November 2, 2016, the Court entered the *Order Granting The Debtor’s Motion, Pursuant To Bankruptcy Code Sections 105(A), 363, And 365, And Bankruptcy Rules 2002, 6004, And 6006, For Entry Of An Order Authorizing The Sale Of Assets Free And Clear Of All Liens, Claims, Encumbrances, And Other Interests And Granting Related Relief* (the “Sale Order”),<sup>1</sup> which authorized and approved, among other things, (a) the Sale of substantially all of the Debtor’s Assets free and clear of liens, claims, and encumbrances and other interests to TPP OPCO, INC. (the “Purchaser”), and (b) certain procedures applicable to the assumption and assignment of certain executory contracts and unexpired leases following the Closing, in accordance with the terms of the Amended and Restated Asset Purchase Agreement [Docket No. 180] (the “Assumption and Assignment Procedures”).

**PLEASE TAKE FURTHER NOTICE** that pursuant to Sections 1.6 and 1.7 of the Amended and Restated Asset Purchase Agreement [Docket No. 180] (as amended, the “Amended Stalking Horse APA”) and the Assumption and Assignment Procedures in the Sale Order, **Purchaser has designated all of the contracts and unexpired leases on the attached Exhibit “A” for assumption and assignment to Purchaser, effective as of [EFFECTIVE DATE].**

<sup>1</sup> All capitalized terms used but not defined herein shall have the meaning ascribed to them in the Sale Order.



### **Obtaining Additional Information**

Additional copies of the Motion, the Bidding Procedures Order, the Bidding Procedures and any other related documents are available upon request to counsel for the Debtor Robert D. Albergotti and Ian T. Peck, Haynes and Boone LLP, 2323 Victory Ave, Suite 700, Dallas, TX 75219, [robert.albergotti@haynesboone.com](mailto:robert.albergotti@haynesboone.com), [ian.peck@haynesboone.com](mailto:ian.peck@haynesboone.com)

### **Assumed and Assigned Contract Objection Procedures**

Pursuant to the Assumption and Assignment Procedures, a party in interest may object following to the proposed assumption and assignment by the Debtor of a Remaining Contract following the Closing. Any such objection to the proposed assumption and assignment by the Debtor of a Remaining Contract following the Closing must (a) be in writing; (b) be signed by counsel or attested to by the objecting party; (c) be in conformity with the Bankruptcy Rules and applicable local rules; (d) be filed with the Clerk of the Bankruptcy Court for the Northern District of Texas, Clerk of the Bankruptcy Court for the Northern District of Texas, United States Bankruptcy Court, Northern District of Texas – Dallas Division, Earle Cabell Federal Building, 1100 Commerce St., Rm. 1254 Dallas, TX 75242-1496, by no later than **no later than fifteen days after the date the Debtor served this Notice (the “Objection Deadline”)**; (e) be served in accordance with applicable local rules so as to be received on or before the Objection Deadline by the following: (i) counsel for the Debtor, Haynes and Boone LLP, 2323 Victory Ave, Suite 700, Dallas, TX 75219 (attn.: Robert D. Albergotti and Ian T. Peck), Email: [robert.albergotti@haynesboone.com](mailto:robert.albergotti@haynesboone.com); [ian.peck@haynesboone.com](mailto:ian.peck@haynesboone.com); (ii) counsel for the Stalking Horse Bidder, Riemer & Braunstein LLP, Times Square Tower, Seven Times Square, New York, NY 10036 (attn.: Donald E. Rothman and Steven E. Fox), Email: [drothman@riemerlaw.com](mailto:drothman@riemerlaw.com); [sfox@riemerlaw.com](mailto:sfox@riemerlaw.com); and Vinson & Elkins L.L.P., 3700 Trammell Crow Center, 2001 Ross Avenue, Suite 3700, Dallas, TX 75201-2975 (attn.: Josiah M. Daniel, III), Email: [jdaniel@velaw.com](mailto:jdaniel@velaw.com); (iii) co-counsel for the Official Committee of Unsecured Creditors, Gibson, Dunn & Crutcher LLP, 333 South Grand Avenue, Los Angeles, CA 90071-3197 (attn.: Samuel Newman), Email: [SNewman@gibsondunn.com](mailto:SNewman@gibsondunn.com); and Emmert & Parvin LLP, 1701 N. Market St., Suite 404, Dallas, TX 75202 (attn.: Wade Emmert), Email: [wade@emmertparvin.com](mailto:wade@emmertparvin.com); and (iv) Office of the United States Trustee for the Northern District of Texas, 1100 Commerce St. # 976, Dallas, TX 75242 (the “Notice Parties”); (f) identify the Lease or Contract to which the objector is party; (g) describe with particularity any cure the claimant contends is required under Section 365 of the Bankruptcy Code (the “Cure Claim”) and identify the basis(es) of the alleged Cure Claim under the Contract or Lease; (h) attach all documents supporting or evidencing the Cure Claim; and (i) if the response contains an objection to Adequate Assurance, state with specificity what the objecting party believes is required to provide Adequate Assurance.

**PLEASE TAKE FURTHER NOTICE** that if a timely permitted objection is properly filed and served on the Assumption Notice Parties in the manner specified above, unless the parties agree otherwise in writing, a hearing will be scheduled to consider that objection.

**PLEASE TAKE FURTHER NOTICE** that if no timely permitted objection is filed and served with respect to the Assumption Notice, any non-Debtor party to such Remaining Contract shall be deemed to have provided the required consent to the assumption and assignment of such Remaining Contract, and the Debtor shall present a

Proposed Assumption Order for entry by the Court. A Proposed Assumption Order is attached hereto as **Exhibit B**.

**PLEASE TAKE FURTHER NOTICE** that if that objection is overruled by the Court or withdrawn, the Proposed Assumption Order shall be entered and shall become a final Assumption Order and shall provide that the assumption and assignment of the affected Remaining Contract shall be deemed effective as of the date of the Assumption Notice.

Dated: November [ ], 2016

HAYNES AND BOONE, LLP

By: */s/ [draft]*

Robert D. Albergotti, TBN 00969800

Ian T. Peck, TBN 24013306

Jarom J. Yates, TBN 24071134

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Dallas, TX 75219

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ATTORNEYS FOR DEBTOR

**EXHIBIT A**

**Cure Amount Schedule**



**Exhibit B**

**Proposed Assumption Order**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

In re:	§	Chapter 11
	§	
TPP ACQUISITION, INC. d/b/a The	§	Case No. 16-16-33437-hdh-11
Picture People,	§	
	§	
Debtor.	§	

**ORDER AUTHORIZING THE ASSUMPTION AND ASSIGNMENT OF CERTAIN  
DESIGNATED CONTRACTS OR UNEXPIRED LEASES PURSUANT TO  
BANKRUPTCY CODE § 365**

Upon the Assumption and Assignment Procedures contained in the *Order Granting The Debtor's Motion, Pursuant To Bankruptcy Code Sections 105(A), 363, And 365, And Bankruptcy Rules 2002, 6004, And 6006, For Entry Of An Order Authorizing The Sale Of Assets Free And Clear Of All Liens, Claims, Encumbrances, And Other Interests And Granting Related Relief* (the

“Sale Order”<sup>2</sup> and the above captioned debtor (the “Debtor”) having filed the *Supplemental Notice Of (I) Debtor’s Request For Authority To Assume And Assign Certain Executory Contracts And Unexpired Leases, And (II) Debtor’s Proposed Cure Amounts* (the “Assumption Notice”); and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper in the Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Assumption Notice having been provided, and it appearing that no other further notice need be provided; and it appearing that no objections to the Assumption Notice were timely filed; and it appearing that requested relief is in the best interests of the Debtor, its estate and creditors and other parties-in-interest; and upon the record of the Sale Hearing and all other pleadings and proceedings in this Chapter 11 Case, and after due deliberation and good and sufficient cause appearing therefor;

IT IS HEREBY FOUND AND DETERMINED:

1. TPP OPCO INC. provided adequate assurance of future performance under the contracts listed on **Exhibit A** in accordance with Bankruptcy Code § 365(f)(2)(B) [and Bankruptcy Code § 365(b)(3)].
2. Assumption of the contracts listed on **Exhibit A** by the Debtor is approved, final, and effective pursuant to Bankruptcy Code § 365 as of the date of the Assumption Notice.
3. Assignment of the contracts listed on **Exhibit A** by the Debtor to TPP OPCO, INC. is approved, final, and effective pursuant to Bankruptcy Code § 365 as of the date of the Assumption Notice.
4. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

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<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Sale Order.

5. This Court shall retain jurisdiction with respect to all matters relating to the interpretation and implementation of this Order.

### END OF ORDER ###

**Submitted by:**

By: /s/ *INSERT*

Robert D. Albergotti  
State Bar No. 009790800  
Ian T. Peck  
State Bar No. 24013306  
Jarom J. Yates  
State Bar No. 24071134  
**HAYNES AND BOONE, LLP**  
2323 Victory Avenue, Suite 700  
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Email: [ian.peck@haynesboone.com](mailto:ian.peck@haynesboone.com)  
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**ATTORNEYS FOR DEBTOR AND DEBTOR IN  
POSSESSION**



**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

**Exhibit 3**

In re:	§	Chapter 11
	§	
TPP ACQUISITION, INC. d/b/a The	§	Case No. 16-33437-hdh-11
Picture People,	§	
	§	
Debtor.	§	

**SUPPLEMENTAL NOTICE OF REJECTION OF REMAINING CONTRACTS**

**PLEASE TAKE NOTICE** that on September 2, 2016, TPP Acquisition, Inc. d/b/a The Picture People, debtor-in-possession in the above-referenced chapter 11 cases (the “Debtor”), filed a voluntary petition for relief under Chapter 11 of Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Texas (the “Court”).

**PLEASE TAKE FURTHER NOTICE** that on November 2, 2016, the Court entered the *Order Granting The Debtor’s Motion, Pursuant To Bankruptcy Code Sections 105(A), 363, And 365, And Bankruptcy Rules 2002, 6004, And 6006, For Entry Of An Order Authorizing The Sale Of Assets Free And Clear Of All Liens, Claims, Encumbrances, And Other Interests And Granting Related Relief* (the “Sale Order”),<sup>1</sup> which authorized and approved, among other things, (a) the Sale of substantially all of the Debtor’s Assets free and clear of liens, claims, and encumbrances and other interests to TPP OPCO, INC. (the “Purchaser”), and (b) certain procedures applicable to the rejection of certain executory contracts and unexpired leases following the Closing, in accordance with the terms of the Amended and Restated Asset Purchase Agreement [Docket No. 180] (the “Rejection Procedures”).

**PLEASE TAKE FURTHER NOTICE** that pursuant to Sections 1.6 and 1.7 of the Amended and Restated Asset Purchase Agreement [Docket No. 180] (as amended, the “Amended Stalking Horse APA”) and the Rejection Procedures in the Sale Order, **Purchaser has designated all of the contracts and unexpired leases on the attached Exhibit “A” for rejection, effective as of [EFFECTIVE DATE].**

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<sup>1</sup> All capitalized terms used but not defined herein shall have the meaning ascribed to them in the Sale Order.

### **Obtaining Additional Information**

Additional copies of the Motion, the Bidding Procedures Order, the Bidding Procedures and any other related documents are available upon request to counsel for the Debtor Robert D. Albergotti and Ian T. Peck, Haynes and Boone LLP, 2323 Victory Ave, Suite 700, Dallas, TX 75219, [robert.albergotti@haynesboone.com](mailto:robert.albergotti@haynesboone.com), [ian.peck@haynesboone.com](mailto:ian.peck@haynesboone.com)

### **Rejected Contract Objection Procedures**

Pursuant to the Rejection Procedures, a party in interest may object to the proposed rejection by the Debtor of a Remaining Contract. Any such objection must (a) be in writing; (b) be signed by counsel or attested to by the objecting party; (c) be in conformity with the Bankruptcy Rules and applicable local rules; (d) be filed with the Clerk of the Bankruptcy Court for the Northern District of Texas, Clerk of the Bankruptcy Court for the Northern District of Texas, United States Bankruptcy Court, Northern District of Texas – Dallas Division, Earle Cabell Federal Building, 1100 Commerce St., Rm. 1254 Dallas, TX 75242-1496, **no later than ten days after the date the Debtor served this Notice (the “Objection Deadline”)**; (e) be served in accordance with applicable local rules so as to be received on or before the Objection Deadline by the following: (i) counsel for the Debtor, Haynes and Boone LLP, 2323 Victory Ave, Suite 700, Dallas, TX 75219 (attn.: Robert D. Albergotti and Ian T. Peck), Email: [robert.albergotti@haynesboone.com](mailto:robert.albergotti@haynesboone.com); [ian.peck@haynesboone.com](mailto:ian.peck@haynesboone.com); (ii) counsel for the Stalking Horse Bidder, Riemer & Braunstein LLP, Times Square Tower, Seven Times Square, New York, NY 10036 (attn.: Donald E. Rothman and Steven E. Fox), Email: [drothman@riemerlaw.com](mailto:drothman@riemerlaw.com); [sfox@riemerlaw.com](mailto:sfox@riemerlaw.com); and Vinson & Elkins L.L.P., 3700 Trammell Crow Center, 2001 Ross Avenue, Suite 3700, Dallas, TX 75201-2975 (attn.: Josiah M. Daniel, III), Email: [jdaniel@velaw.com](mailto:jdaniel@velaw.com); (iii) co-counsel for the Official Committee of Unsecured Creditors, Gibson, Dunn & Crutcher LLP, 333 South Grand Avenue, Los Angeles, CA 90071-3197 (attn.: Samuel Newman), Email: [SNewman@gibsondunn.com](mailto:SNewman@gibsondunn.com); and Emmert & Parvin LLP, 1701 N. Market St., Suite 404, Dallas, TX 75202 (attn.: Wade Emmert), Email: [wade@emmertparvin.com](mailto:wade@emmertparvin.com); and (iv) Office of the United States Trustee for the Northern District of Texas, 1100 Commerce St. # 976, Dallas, TX 75242 (the “Notice Parties”).

**PLEASE TAKE FURTHER NOTICE** that if a timely permitted objection is properly filed and served on the Notice Parties in the manner specified above, unless the parties agree otherwise in writing, a hearing will be scheduled to consider that objection. If that objection is overruled by the Court or withdrawn, the rejection of the affected Remaining Contract shall be deemed effective as of the applicable Rejection Effective Date. **If no timely objection is filed and served with respect to the rejection of a Remaining Contract within ten (10) days after the delivery of the Rejection Notice, the Debtor may file the proposed Rejection Order, which is attached hereto as Exhibit B.**

**PLEASE TAKE FURTHER NOTICE** that in connection with the rejection of a Remaining Contract that is a lease, if the Debtor has deposited monies with a lessor as a security deposit or other arrangement, such lessor may not set off or recoup or otherwise use such deposit without the prior approval of the Court.

**PLEASE TAKE FURTHER NOTICE** that If an affected landlord or counterparty or any other party in interest (the “Rejection Claimant”) asserts a claim or claims against the Debtor arising from the rejection of a Remaining Contract, such Rejection Claimant shall submit a proof of claim on or before the later of (a) the date that is 30 days after the entry of the Rejection Order or (b) the date established by the Court in the order shortening the bar date [Docket 261]. If the Rejection Claimant does not timely file such proof of claim, such claimant shall be forever barred from asserting a claim against the Debtor for such rejection damages.

Dated: November [ ], 2016

HAYNES AND BOONE, LLP

By: /s/ [draft]

Robert D. Albergotti, TBN 00969800

Ian T. Peck, TBN 24013306

Jarom J. Yates, TBN 24071134

2323 Victory Avenue, Suite 700

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Telephone: 214.651.5000

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Email: jarom.yates@haynesboone.com

ATTORNEYS FOR DEBTOR

**EXHIBIT A**

**Cure Amount Schedule**

<b>Contract Counterparty</b>	<b>Description of Contract or Lease</b>

**Exhibit B**

**Proposed Rejection Order**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

In re:	§	Chapter 11
	§	
TPP ACQUISITION, INC. d/b/a The	§	Case No. 16-16-33437-hdh-11
Picture People,	§	
	§	
Debtor.	§	

**ORDER AUTHORIZING THE REJECTION OF CERTAIN DESIGNATED  
CONTRACTS OR UNEXPIRED LEASES PURSUANT TO BANKRUPTCY CODE § 365**

Upon the Rejection Procedures contained in the *Order Granting The Debtor's Motion, Pursuant To Bankruptcy Code Sections 105(A), 363, And 365, And Bankruptcy Rules 2002, 6004, And 6006, For Entry Of An Order Authorizing The Sale Of Assets Free And Clear Of All Liens, Claims, Encumbrances, And Other Interests And Granting Related Relief* (the "Sale

Order)<sup>2</sup> and the above captioned debtor (the "Debtor") having filed the *Supplemental Notice Of Rejection of Remaining Contracts* (the "Rejection Notice"); and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper in the Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Rejection Notice having been provided, and it appearing that no other further notice need be provided; and it appearing that no objections to the Rejection Notice were timely filed; and it appearing that requested relief is in the best interests of the Debtor, its estate and creditors and other parties-in-interest; and upon the record of the Sale Hearing and all other pleadings and proceedings in this Chapter 11 Case, and after due deliberation and good and sufficient cause appearing therefor;

IT IS HEREBY FOUND AND DETERMINED:

1. Pursuant to Bankruptcy Code § 365 and Bankruptcy Rule 6006, the contracts listed on Exhibit A shall be deemed rejected as of the date of the Rejection Notice.

2. Pursuant to Bankruptcy Code § 554, any personal property or furniture, fixtures and equipment remaining at the leased premises (the "Premises") as of the applicable effective date of rejection (the "Remaining Property") shall be deemed abandoned by the Debtor and the Landlord may dispose of any Remaining Property, in its sole discretion, free and clear of all liens, claims, encumbrances and interests, without further notice or order from this Court, without any liability to the Debtor and any third party for such disposal and without waiver of any claim the Landlord may have against the Debtor; provided, however, that the Debtor shall remove, and not abandon, any hazardous or toxic chemicals or materials that it maintained at the Premises (exclusive of standard cleaning and/or janitorial supplies), if any. If necessary, the

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<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Sale Order.  
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Landlord shall cooperate with the Debtor to schedule a time and to grant access to the Debtor or its agent to pick up any hazardous or toxic chemicals or materials maintained at the Premises.

3. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

4. This Court shall retain jurisdiction with respect to all matters relating to the interpretation and implementation of this Order.

### END OF ORDER ###

**Submitted by:**

By: /s/ INSERT

Robert D. Albergotti  
State Bar No. 009790800  
Ian T. Peck  
State Bar No. 24013306  
Jarom J. Yates  
State Bar No. 24071134  
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**ATTORNEYS FOR DEBTOR AND DEBTOR IN  
POSSESSION**