

1 GARY E. KLAUSNER (STATE BAR NO. 69077)
gklausner@stutman.com
2 MICHAEL S. NEUMEISTER (STATE BAR NO. 274220)
mneumeister@stutman.com
3 STUTMAN, TREISTER & GLATT
PROFESSIONAL CORPORATION
4 1901 Avenue of the Stars, 12th Floor
Los Angeles, CA 90067
5 Telephone: (310) 228-5600
Telecopy: (310) 228-5788

6 Reorganization Counsel
7 for Debtors and Debtors in Possession

8 Debtors' Mailing Address:
Colorep, Inc. and Transprint USA, Inc.
9 100 Pleasant Valley Road
Harrisonburg, VA 22801-9790
10 Attn: Robert Katz, [Proposed] CRO

11 **UNITED STATES BANKRUPTCY COURT**
12 **CENTRAL DISTRICT OF CALIFORNIA**
13 **LOS ANGELES DIVISION**

14 In re) Case No. 13-bk-27689-WB
15)
16 COLOREP, INC.,) Chapter 11
a California corporation, *et al.*,) (Jointly Administered)
17)
Debtors.) **NOTICE OF SUBMISSION OF ASSET**
18) **PURCHASE AGREEMENT, IN**
Tax I.D. Nos. 94-3055026 (Colorep, Inc.) and) **SUPPORT OF DEBTORS' MOTION FOR**
19 54-1200596 (Transprint USA, Inc.)) **ORDER APPROVING SALE OF THE**
20) **DEBTORS' ASSETS FREE AND CLEAR**
21) **OF INTERESTS**
22) DATE: October 3, 2013
23) TIME: 10:00 a.m.
24) PLACE: Courtroom 1475
25) 255 East Temple Street
26) Los Angeles, CA 90012
27)
28)

1 **TO THE HONORABLE JULIA W. BRAND AND SHERI BLUEBOND, UNITED STATES**
2 **BANKRUPTCY JUDGES:**

3 **PLEASE TAKE NOTICE** that Colorep, Inc. and Transprint USA, Inc., the debtors
4 and debtors in possession in the above-captioned bankruptcy proceedings (the "Debtors"), hereby
5 submit a substantially completed version of the Asset Purchase Agreement to be entered into by the
6 Debtors and Beta Color, LLC, as the sellers, and Meserole, LLC and Fuller Smith Capital
7 Management LLC as the purchasers, a copy of which is attached hereto as Exhibit "A". The draft is
8 still subject to negotiation between the parties.

9 Dated: October 3, 2013

Respectfully submitted,

10
11 /s/ Michael S. Neumeister
12 GARY E. KLAUSNER
13 MICHAEL S. NEUMEISTER
14 **STUTMAN, TREISTER & GLATT**
15 **PROFESSIONAL CORPORATION**

16
17
18
19
20
21
22
23
24
25
26
27
28
Reorganization Counsel
for Debtors and Debtors in Possession

Exhibit A

ASSET PURCHASE AGREEMENT

between

Colorep, Inc.

Transprint USA, Inc.

and

**Beta Color, LLC
("Sellers")**

and

Meserole, LLC

and

**Fuller Smith Capital Management, LLC, in its capacity as DIP Agent
("Purchasers")**

Dated October [___], 2013

Table of Contents

	Page
ARTICLE 1	DEFINITIONS..... 2
1.1	Certain Terms Defined..... 2
1.2	Interpretation..... 8
ARTICLE 2	PURCHASE AND SALE OF THE ACQUIRED ASSETS 8
2.1	Purchase and Sale of Assets..... 8
2.2	Excluded Assets 10
2.3	Assumption of Liabilities..... 10
2.4	Excluded Liabilities 11
2.5	Assignment and Assumption of Contracts..... 13
ARTICLE 3	CONSIDERATION 14
3.1	Purchase Price 14
3.2	Allocation of Purchase Price..... 15
ARTICLE 4	REPRESENTATIONS AND WARRANTIES OF SELLER..... 15
4.1	Organization..... 15
4.2	Authorization of Agreement 15
4.3	Conflicts; Consents of Third Parties 16
4.4	Title to Acquired Assets..... 17
4.5	Real Property 17
4.6	Intellectual Property..... 17
4.7	Environmental Matters..... 17
4.8	Warranties Are Exclusive 17
ARTICLE 5	REPRESENTATIONS AND WARRANTIES OF PURCHASER AND PURCHASER ASSIGNEE..... 18
5.1	Organization..... 18
5.2	Authorization and Validity 18
5.3	No Conflict or Violation 18
5.4	Consents and Approvals 18
5.5	Financial Capability 19
5.6	No Other Representations and Warranties..... 19
ARTICLE 6	COVENANTS OF SELLERS AND OTHER AGREEMENTS 19
6.1	Pre-Closing Covenants of Sellers 19
6.2	Pre-Closing Covenants of Purchaser 21
6.3	Other Covenants of Sellers and Purchaser..... 21
6.4	Non-Assignment of Contracts..... 22
6.5	Casualty..... 22
6.6	Employee Matters 22
ARTICLE 7	TAXES..... 23
7.1	Taxes Related to Purchase of Acquired Assets..... 23

Table of Contents
(continued)

	Page
7.2 Waiver of Bulk Sales Laws.....	23
ARTICLE 8 BANKRUPTCY COURT APPROVALS	24
8.1 Bankruptcy Sale Order.....	24
8.2 Appeal.....	25
8.3 Failure to Approve	25
8.4 Cooperation.....	25
ARTICLE 9 CONDITIONS PRECEDENT TO PERFORMANCE BY THE PARTIES	26
9.1 Conditions Precedent to Performance by Seller	26
9.2 Conditions Precedent to the Performance by Purchaser	27
ARTICLE 10 CLOSING AND DELIVERIES	28
10.1 Closing	28
10.2 Seller’s Deliveries.....	28
10.3 Purchaser’s Deliveries	29
10.4 Conditions to Closing	29
10.5 Sellers’ Default/Purchaser’s Remedies.....	30
10.6 Purchaser’s Default/Sellers’ Remedies.....	30
10.7 Closing Costs	30
ARTICLE 11 TERMINATION.....	30
11.1 Conditions of Termination.....	30
11.2 Effect of Termination.....	31
ARTICLE 12 MISCELLANEOUS	32
12.1 Survival.....	32
12.2 Further Assurances.....	32
12.3 Successors and Assigns.....	32
12.4 Governing Law; Jurisdiction.....	32
12.5 Expenses	33
12.6 Severability	33
12.7 Notices	33
12.8 Amendments; Waivers.....	34
12.9 Entire Agreement; Assignment.....	34
12.10 Sellers’ Disclosures.....	35
12.11 Headings	35
12.12 Electronic Delivery; Counterparts	35
12.13 Waiver of Jury Trial.....	35
12.14 Third Party Beneficiaries	36

EXHIBITS

Exhibit A	Form of Assignment and Assumption Agreement
Exhibit B	Form of Bill of Sale
Exhibit C	Legal Description for Real Property
Exhibit D	Form of Patent Assignment
Exhibit E	Form of Trademark Assignment
Exhibit F	Form of Deed
Exhibit G	Form of Declaration in Support of No Successor Liability

APPENDICES

Appendix I	Bankruptcy Sale Order
------------	-----------------------

SCHEDULES

Schedule 2.3(f)	Certain Assumed Liabilities
-----------------	-----------------------------

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this “Agreement”), dated as of October [___], 2013 (the “Execution Date”), is made by and among (i) Meserole, LLC, a Delaware limited liability company (“Meserole”), and Fuller Smith Capital Management, LLC, a Delaware limited liability company and solely in its capacity as DIP Agent (“FSCM”) (including any assignee of Meserole and FSCM under Section 12.3(a) below, each, and collectively, the “Purchaser”), and (ii) Colorep, Inc., a California corporation (“Colorep”), Transprint USA, Inc., a Virginia corporation and a wholly owned subsidiary of Colorep (“Transprint”), and Beta Color, LLC, a California limited liability company and a wholly owned subsidiary of Colorep (“Beta” and, together with Colorep and Transprint, each a “Seller” and, collectively, the “Sellers”).

RECITALS

WHEREAS, Sellers are presently engaged in, among other things, a fabric printing business with a manufacturing facility in Virginia and sales showrooms and offices in California, South Carolina, North Carolina and New York (the “Business”);

WHEREAS, on July 10, 2013, Colorep and Transprint (each a “Debtor” and, collectively, the “Debtors”) each filed a voluntary petition for relief (the “Bankruptcy Case”) pursuant to Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Central District of California (the “Bankruptcy Court”) as case number 13-bk-27689-WB (the “Bankruptcy Case”);

WHEREAS, Debtors continue to operate the Business as a debtor and debtor-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code;

WHEREAS, Sellers desire to sell, transfer and assign to Purchaser, and Purchaser desires to acquire and assume from Sellers, pursuant to Sections 363 and 365 of the Bankruptcy Code, the Acquired Assets (including, without limitation, the Assigned Contracts) and the Assumed Liabilities, all at the price, and on the terms and conditions, as more specifically provided herein;

WHEREAS, Sellers have determined that it is advisable and in the best interests of Sellers and the Debtors’ estates to consummate the transaction provided for herein and obtain approval of the Agreement pursuant to the Bidding Procedures Order and the Bankruptcy Sale Order;

WHEREAS, the transactions contemplated by this Agreement are subject to the approval of the Bankruptcy Court and will be consummated only pursuant to the Bankruptcy Sale Order to be entered in the Bankruptcy Case; and

WHEREAS, upon the approval of the Bankruptcy Court of the transactions contemplated hereby pursuant to the Bankruptcy Sale Order and the execution of this Agreement, but prior to the Closing, pursuant to Section 12.3(a) hereof, Meserole intends to assign its Pre-Petition Claims and Pre-Petition Liens and FSCM intends to assign the DIP Obligations and DIP Liens, as well as all of their respective rights and obligations hereunder (including their right to acquire any of the Acquired Assets), in each case to the Purchaser

Assignee and, following such assignments, the Purchaser Assignee shall be the “Purchaser” hereunder and have all the rights and obligations of Meserole and FSCM hereunder.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, Sellers and Purchaser hereby agree as follows:

ARTICLE 1
DEFINITIONS

1.1 Certain Terms Defined. As used in this Agreement, the following terms have the following meanings:

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

“Affiliate” has the meaning set forth in Section 101(2) of the Bankruptcy Code.

“Agreement” has the meaning set forth in the Preamble, as the same may from time to time be amended, modified or restated in accordance with the terms hereof.

“Allocation Statement” has the meaning set forth in Section 3.2(a).

“Ancillary Agreement” means any agreement, document or instrument (other than this Agreement) that a Seller or Purchaser, as applicable, enters into or delivers in connection with the consummation of the transactions contemplated hereby.

“Assignable Contract” means any Contract to which a Seller is a party that such Seller is permitted under the Bankruptcy Code to sell and assign other than those Contracts set forth on Schedule 2.5(a).

“Assigned Contracts” has the meaning set forth in Section 2.5(a).

“Assignment and Assumption Agreement” means the Assignment and Assumption Agreement in all material respects in the form attached hereto as Exhibit A evidencing the assignment to and assumption by Purchaser of all rights and obligations under the Assigned Contracts.

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

“Avoidance Actions” means, individually and collectively, all avoidance or recovery actions under Bankruptcy Code sections 502, 510, 541, 542, 544, 545, 547, 548, 549, 550, 551, and/or 553, or under similar or related state or federal statutes and common law, including, without limitation, fraudulent transfer or conveyance laws.

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

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

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

“Bankruptcy Sale Order” means an order by the Bankruptcy Court pursuant to Sections 363 and 365 of the Bankruptcy Code, in the form attached hereto as Appendix I, approving the sale of the Acquired Assets to the Purchaser and which shall contain, among other provisions acceptable to Purchaser in its sole discretion, the provisions set forth in Section 8.1.

“Bankruptcy Sale Order Deadline” means October [___], 2013.

“Benefit Plan Schedule” has the meaning set forth in Section 6.6(b).

“Bidding Procedures Order” means the final order from the Bankruptcy Court, dated August 12, 2013, approving the bid procedures.

“Bill of Sale” means the Bill of Sale in all material respects in the form attached hereto as Exhibit B conveying to Purchaser title to all of the Acquired Assets which constitute personal property.

“Books and Records” means all books, records, correspondence, files, papers and other data maintained by, or in the possession of, any Seller or any Person on behalf of any Seller, whether in hard copy or electronic format, to the extent applicable to the Acquired Assets or the Assumed Liabilities, excluding, for the avoidance of doubt, any book and records consisting of the Sellers’ corporate charters or certificates or articles of formation or organization, bylaws or operating agreements, and minutes of meetings of their respective governing bodies and equity holders.

“Budget” has the meaning set forth in the Final DIP Order.

“Business” has the meaning set forth in the Recitals.

“Business Day” means any day other than Saturday, Sunday and any day that is a legal holiday or a day on which banking institutions in South Carolina are authorized by Law or other governmental action to close.

“Business Employee” means any employee of any Seller as of the Closing Date, or who would be entitled to a priority claim pursuant to Bankruptcy Code section 507(a)(4) or (5).

“Cash Payment Amount” means an amount in cash paid by Purchaser as part of the Purchase Price, as set forth in Section 3.1(a)(iii).

“Cash PTO Obligations” has the meaning set forth in Section 6.6(c).

“Casualty” has the meaning set forth in Section 6.5.

“Claim” has the meaning ascribed by Bankruptcy Code §101(5), including all rights, claims, causes of action, defenses, debts, demands, damages, offset rights, setoff rights, recoupment rights, obligations, and liabilities of any kind or nature under contract, at Law or in equity, known or unknown, contingent or matured, liquidated or unliquidated, and all rights and remedies with respect thereto.

“Closing” has the meaning set forth in Section 10.1.

“Closing Date” has the meaning set forth in Section 10.1.

“Code” means the Internal Revenue Code of 1986, as amended, and the regulations issued thereunder.

“Contract” means any agreement, contract, lease, sublease, purchase order, arrangement, license, commitment or other binding arrangement or understanding, whether written or oral, and any amendments, modifications or supplements thereto.

“Credit Bid Amount” has the meaning set forth in Section 3.1(a)(i).

“Credit Bid Acknowledgment” has the meaning set forth in Section 3.1(b)(i).

“Cure Amounts” means all amounts, costs and expenses agreed to by Purchaser or required by the Bankruptcy Court to cure all defaults under the Assigned Contracts so that they may be sold and assigned to Purchaser pursuant to Sections 363 and 365 of the Bankruptcy Code.

“DIP Agent” means FSCM, under and pursuant to the Final DIP Order.

“Electronic Delivery” has the meaning set forth in Section 12.12.

“Encumbrances” means, to the extent not considered a Lien, any security interest, lien, collateral assignment, right of setoff, debt, obligation, liability, pledge, levy, charge, escrow, encumbrance, option, right of first refusal, restriction (whether on transfer, disposition or otherwise), third party right, right limited to a Seller personally, other agreement term tending to limit any right or privilege of a Seller under any Contract, conditional sale contract, title retention contract, mortgage, lease, deed of trust, hypothecation, indenture, security agreement, easement, license, servitude, proxy, voting trust, transfer restriction under any shareholder or similar agreement, or any other agreement, arrangement, contract, commitment, understanding or obligation of any kind whatsoever, whether written or oral, or imposed by any Law, equity or otherwise.

“Environmental Laws” has the meaning set forth in Section 4.9.

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

“Excluded Contracts” has the meaning set forth in Section 2.2(c).

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

“FF&E” means all equipment, machinery, fixtures, furniture and other tangible property owned by Sellers or used or useful in the operation of the Business or the Acquired Assets, including all attachments, appliances, fittings, lighting fixtures, signs, doors, cabinets, partitions, mantels, motors, pumps, screens, plumbing, heating, air conditioning, waste disposal and storing, wiring, telephones, televisions, monitors, security systems, office equipments, combinations,

codes and keys, and any other furniture, fixtures, equipment and improvements of any kind or nature.

“Final DIP Order” means that certain order, dated August 16, 2013 [DKT No. 134], among other things, authorizing Debtors’ to obtain post-petition financing.

“Governmental Authority” means any federal, state, or local court, tribunal, governmental department, agency, board or commission, regulatory, taxing or supervisory authority, or other administrative, governmental or quasi-governmental body, subdivision or instrumentality.

“Hazardous Materials” shall mean (a) any petroleum products or byproducts, radioactive materials, friable asbestos or polychlorinated biphenyls or (b) any waste, material, or substance defined as a “hazardous substance,” “hazardous material,” or “hazardous waste” or “pollutant” or otherwise regulated under any applicable Environmental Law.

“Improvements” means, with respect to any Real Property, all buildings, structures, systems, facilities, easements, rights-of-way, privileges, improvements, licenses, hereditaments, appurtenances and all other rights and benefits belonging, or in any way related, to such Real Property.

“Indebtedness” with respect to any Person means any obligation of such Person for borrowed money, and in any event shall include (a) any obligation incurred for all or any part of the purchase price of property, equipment or other assets or for the cost of property, equipment or other assets constructed or of improvements thereto, other than accounts payable included in current liabilities and incurred in respect of property purchased in the ordinary course of business, (b) the face amount of all letters of credit issued for the account of such Person, (c) obligations (whether or not such Person has assumed or become liable for the payment of such obligation) secured by Liens or Encumbrances, (d) capitalized lease obligations, (e) all guarantees and similar obligations of such Person, (f) all accrued interest, fees and charges in respect of any indebtedness and (g) all prepayment premiums and penalties, and any other fees, expenses, indemnities and other amounts payable as a result of the prepayment or discharge of any indebtedness.

“Intellectual Property” means all rights of Sellers to (a) inventions, discoveries and patents, applications for patents (including divisions, continuations, continuations in part and renewal applications), and any renewals, extensions and reissues thereof, in any jurisdiction, (b) trademarks, service marks, trade dress, logos, trade names and corporate names and other indicia of origin and corporate branding, together with all translations, adaptations, derivations and combinations thereof and including all goodwill associated therewith, and all applications, registrations and renewals in connection therewith, (c) Internet addresses, uniform resource locaters, domain names, Websites and Web pages, (d) any and all other intellectual property and proprietary rights, and (e) goodwill related to all of the foregoing, in each case to the extent used or useful in the operation of the Business or related to the Acquired Assets.

“Interest” means “interest” as that term is used in Bankruptcy Code Section 363(f).

“Law” means any law, statute, ordinance, regulation, rule, code or rule of common law or otherwise of, or any order, judgment, injunction or decree issued, promulgated, enforced or entered by, any Governmental Authority.

“Liability” means any liability (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due and regardless of when asserted), including any liability for Taxes.

“Lien” has the meaning given to that term in the Bankruptcy Code.

“Loan Documents” means the loan agreement and other documents evidencing the Pre-Petition Senior Secured Obligations.

“Material Adverse Effect” means a state of facts, event, change or effect with respect to the Business, the Acquired Assets, the Assumed Liabilities or the enforceability of any Assigned Contract that results in or could reasonably be expected to result in a material adverse effect on or change in the results of operations or condition (financial or otherwise) of the Acquired Assets or the Business.

“Non-Cash PTO Obligations” has the meaning set forth in Section 6.6(c).

“Patent Assignment” means the Patent Assignment in all material respects in the form attached hereto as Exhibit C conveying to Purchaser title to all of the patents and related rights of Sellers.

“Permits” means all permits, authorizations, filings, approvals and licenses possessed by a Seller, or through which a Seller has rights, that are used, useable or useful in the operation of the Business or the use or enjoyment or benefit of the Acquired Assets.

“Permitted Liens” means Liens listed on Schedule 1.1(a).

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

“Pre-Petition Lender” means Meserole, LLC, a Delaware limited liability company and a Purchaser hereunder.

“Pre-Petition Senior Secured Obligations” means the outstanding, pre-petition, senior secured Indebtedness owed by Debtors to the Pre-Petition Lender in the aggregate amount of not less than \$20.0 million.

“Proceeding” has the meaning set forth in Section 2.4(a)(vii).

“PTO Obligations” means, collectively, Cash PTO Obligations and Non-Cash PTO Obligations.

“Purchase Price” has the meaning set forth in Section 3.1(a).

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

“Purchaser Assignee” means AirDye Solutions, LLC, a Delaware limited liability company.

“Real Property” means all the land, Improvements, FF&E to the extent affixed thereto, or other interests in real property owned by Sellers, all of which are identified on Exhibit C (including any easements, rights or permits appurtenant thereto).

“Related Person” means, with respect to any Person at any time of determination, all directors, officers, members, managers, stockholders, employees, controlling persons, Affiliates, agents, professionals, attorneys, accountants, lenders, investment bankers or representatives of any such Person.

“Remaining Lender Claim” shall mean a passive unsecured claim in the amount of \$2,500,000.

“Sale Hearing” means the hearing to consider the entry of the Bankruptcy Sale Order.

“Schedules” has the meaning set forth in Section 6.3(c).

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

“Tax” or “Taxes” means all taxes, however denominated, including any interest, penalties or additions to tax that may become payable in respect thereof, imposed by any Governmental Authority, whether payable by reason of contract, assumption, transferee liability, operation of Law or Treasury Regulation Section 1.1502-6(a) (or any predecessor or successor thereof or any analogous or similar provision under Law), which taxes shall include all net or gross income, gross receipts, net proceeds, sales, use, ad valorem, value added, franchise, withholding, payroll, employment, excise, property, abandoned property, escheat, deed, stamp, alternative or add-on minimum, environmental, profits, windfall profits, transaction, license, lease, service, service use, occupation, severance, energy, sales, use, transfer, real property transfer, recording, documentary, registration, stock transfer taxes and fees, unemployment, social security, workers’ compensation, capital, premium, and other taxes, assessments, customs, duties, fees, levies, or other governmental charges of any nature whatever, whether disputed or not, and other assessments or obligations of the same or a similar nature, whether arising before, on or after the Closing Date.

“Tax Return” means any report, return, information return, filing or other information, including any schedules, exhibits or attachments thereto, and any amendments to any of the foregoing required to be filed or maintained in connection with the calculation, determination, assessment or collection of any Taxes (including estimated Taxes).

“Trademark Assignment” means the Trademark Assignment in all material respects in the form attached hereto as Exhibit E conveying to Purchaser title to all of the trademarks of Sellers.

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

“Transferred Employees” has the meaning set forth in Section 6.6(a).

1.2 Interpretation.

(a) When a reference is made in this Agreement to a Section or article, such reference shall be to a Section or article of this Agreement unless otherwise clearly indicated to the contrary.

(b) Whenever the words “include,” “includes” or “including” are used in this Agreement they shall be deemed to be followed by the words “without limitation.”

(c) The words “hereof,” “herein” and “herewith” and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement, and article, section, paragraph, exhibit and schedule references are to the articles, sections, paragraphs, exhibits and schedules of this Agreement unless otherwise specified.

(d) The meaning assigned to each term defined herein shall be equally applicable to both the singular and the plural forms of such term. Where a word or phrase is defined herein, each of its other grammatical forms shall have a corresponding meaning.

(e) A reference to any party to this Agreement or any other agreement or document shall include such party’s successors and permitted assigns.

(f) A reference to any legislation or to any provision of any legislation shall include any amendment to, and any modification or reenactment thereof, any legislative provision substituted therefore and all regulations and statutory instruments issued thereunder or pursuant thereto.

(g) 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.

(h) Any reference in this Agreement to \$ shall mean U.S. dollars.

(i) The parties hereto have participated jointly in the negotiation and drafting of this Agreement and, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

ARTICLE 2
PURCHASE AND SALE OF THE ACQUIRED ASSETS

2.1 Purchase and Sale of Assets. Pursuant to Sections 105, 363 and 365 of the Bankruptcy Code, on the terms and subject to the conditions set forth in this Agreement, at the Closing, Purchaser shall purchase, acquire and accept from Sellers, and Sellers shall sell, transfer, assign, convey and deliver to Purchaser, all of each Seller’s right, title and interest in, to

and under the Acquired Assets, free and clear of all pledges, security interests, Liens, Claims, Interests and Encumbrances (other than Permitted Liens). “Acquired Assets” shall mean all of the, direct or indirect, right, title, privilege and interest of each Seller in and to the tangible and intangible assets, properties, rights, claims, privileges and Contracts used, useful, or held for use in, or related to, the Business (but excluding Excluded Assets) as of the Closing, including:

- (a) all cash;
- (b) all inventory;
- (c) all accounts receivable and proceeds thereof;
- (d) all bank accounts;
- (e) all expenses, rent, insurance premiums, and payments with respect to the Business or any Acquired Asset prepaid or advanced by Sellers for periods after the Closing Date and any security, utility or other deposits;
- (f) all Real Property;
- (g) all FF&E;
- (h) all Intellectual Property;
- (i) all Assigned Contracts;
- (j) all Permits;
- (k) all Books and Records; subject to Section 6.3 herein;
- (l) except to the extent listed as an Excluded Asset herein, all rights under or arising out of all insurance policies relating to the Business or the Acquired Assets, unless non-assignable as a matter of Law, provided that the Debtors' directors and officers insurance policies as well as any errors and omissions policies shall not be an Acquired Asset and shall be Excluded Assets;
- (m) all Avoidance Actions and the proceeds therefrom, including against Pre-Petition Lender, the DIP Agent, DIP Lender, Meserole and their respective Affiliates; provided, however, that any Avoidance Action against any director, officer or shareholder of the Sellers shall be an Excluded Asset;
- (n) all goodwill and other intangible assets associated with the Business and the Acquired Assets; and
- (o) all claims and causes of action, at law, in equity, or mixed, of whatever nature or form, and whenever accrued or occurring, against Meserole, FSCM or Debs Corporation (subject to each of said parties delivering to Debtors a release of claims containing the provisions of Section 6.3(d) hereof) and their respective Affiliates, including, without limitation, funds under management, equity holders, directors, officers, managers, members,

partners, employees, agents and attorneys, in each case, in any capacity, including, without limitation, in their respective capacity as Pre-Petition Lender, DIP Agent, DIP Lenders and their respective Affiliates.

2.2 Excluded Assets. Notwithstanding anything to the contrary in this Agreement, nothing herein shall be deemed to sell, transfer, assign or convey the Excluded Assets to Purchaser, and Sellers shall retain all right, title and interest in, to and under, and all obligations with respect to, the Excluded Assets. For all purposes of and under this Agreement, and as the same may be amended pursuant to Section 2.5, the term “Excluded Assets” shall mean:

(a) any asset of a Seller that otherwise would constitute an Acquired Asset but for the fact that it is conveyed, leased or otherwise disposed of in the ordinary course of Sellers’ business prior to the Closing Date not in violation of this Agreement;

(b) all rights under or arising out of insurance policies that are non-assignable as a matter of Law (including, without limitation, the Anthem contracts and Debtor’s directors and officers and errors and omissions insurance policies);

(c) all Excluded Contracts (collectively, the “Excluded Contracts”);

(d) all rights under or arising out of insurance policies that are non-assignable as a matter of Law;

(e) all contracts that are not Assigned Contracts (including, without limitation, the Anthem contracts);

(f) except as provided in Section 2.1(m) and Section 2.1(o) above, all claims and causes of action of the Sellers, and all insurance related thereto, including, but not limited to, Avoidance Actions against officers, directors and shareholders of the Sellers;

(g) any Contract that terminates or expires prior to the Closing Date in accordance with its terms or in the ordinary course of Sellers’ business (excluding any extensions or renewals of Assumed Contracts effected or effective prior to the Closing Date);

(h) all rights, claims or causes of action with respect to or arising in connection with Excluded Assets;

(i) all Books and Records consisting of the Sellers’ corporate charters or certificates or articles of formation or organization, bylaws or operating agreements, and minutes of meetings of their respective governing bodies and equity holders; and

(j) all rights of Sellers under this Agreement, including, without limitation, to and in respect of the Purchase Price.

2.3 Assumption of Liabilities. Upon the terms and subject to the conditions of this Agreement, Purchaser agrees, effective at the time of the Closing, to assume, pay, perform and discharge the following liabilities and obligations of the Sellers (the “Assumed Liabilities”):

(a) (i) all accruals, operating costs and expenses and accounts payable of a Debtor incurred in the ordinary course of business arising after the Petition Date and before Closing in accordance with the Budget (without giving effect to the Variance (as defined in the Budget)) that remain unpaid as of the Closing Date, and (ii) rent for the month ending October 31, 2013 owing under Debtors' lease for its New York facility;

(b) all undisputed Cure Amounts due and owing under any Assigned Contracts;

(c) all liabilities and obligations of a Seller under the Assigned Contracts accruing after the Closing;

(d) all liabilities and obligations relating to the Acquired Assets and to the operation of the Business arising after the Closing;

(e) all liabilities and obligations relating to the employment or employee benefits or compensation arrangements with respect to the employment by Purchaser from and after the Closing Date of any Transferred Employees pursuant to Section 6.6 (other than any Cash PTO Obligations); and

(f) those additional specific Liabilities and obligations of Debtors identified on Schedule 2.3(f) hereto (subject to and conditioned upon the terms and conditions listed thereon).

2.4 Excluded Liabilities.

(a) Except as specifically set forth in Section 2.3, Purchaser shall not assume or be liable for any Claims, Liens, Encumbrances, Interests, Liabilities or other obligations of a Seller of any kind or nature whatsoever, whether presently in existence or arising hereafter (other than the Assumed Liabilities and the Liabilities or other obligations created or incurred by Purchaser following the Closing), including, without limitation, the following (collectively, the "Excluded Liabilities"):

(i) any obligations, Claims, or Liabilities of a Seller that relate to any of the Excluded Assets (including under Excluded Contracts);

(ii) any accruals, costs and expenses and accounts payable of a Seller arising after the Petition Date and before Closing in excess of the Budget;

(iii) except as set forth in Section 2.3(a,) any amounts due or which may become due or owing under the Assigned Contracts with respect to the period prior to Closing and which are funded pursuant to the DIP financing budget set forth in the Final DIP Order;

(iv) except as otherwise specifically provided for herein with respect to the payment of Taxes by Purchaser, any obligations, Claims, or Liabilities of a Seller or for which a Seller or any Affiliate of a Seller could be liable relating to Taxes, including any Taxes

that will arise as a result of the sale of the Acquired Assets or the assumption of the Assumed Liabilities pursuant to this Agreement and any deferred Taxes of any nature;

(v) any obligations, Claims, or Liabilities for any legal, accounting, investment banking, brokerage or similar fees or expenses incurred by a Seller or any predecessor or Affiliate of a Seller in connection with, resulting from or attributable to the Bankruptcy Case or the transactions contemplated by this Agreement or otherwise;

(vi) any Indebtedness of a Seller;

(vii) all Cash PTO Obligations owed to any Transferred Employee;

(viii) any obligation and Liability of a Seller resulting from, caused by or arising out of, or which relate to, directly or indirectly, the conduct of the Sellers or of the Business by the Sellers, or the ownership, lease or license of any properties or assets or any properties or assets previously used by a Seller or any predecessor or Affiliate of a Seller, or other actions, omissions, including any amounts due or which may become due or owing under the Assigned Contracts, with respect to the period prior to the Closing (other than the Cure Amounts);

(ix) any obligation or Liability of a Seller resulting from, caused by or arising out of, or which relate to, directly or indirectly, the conduct of anyone or the ownership, lease or license of any properties or assets or any properties or assets previously used by a Seller or any predecessor of a Seller at any time, or other actions, omissions or events occurring prior to the Closing and which (i) constitute, may constitute or are alleged to constitute a tort, breach of contract or violation of any rule, regulation, treaty or other similar authority or (ii) relate to any and all Claims, disputes, demands, actions, Liabilities, damages, suits in equity or at Law, administrative, regulatory or quasi-judicial proceedings, accounts, costs, expenses, setoffs, contributions, attorneys' fees or causes of action of whatever kind or character ("Proceeding") against a Seller, whether past, present, future, known or unknown, liquidated or unliquidated, accrued or unaccrued, pending or threatened;

(x) any obligation or Liability arising out of any Proceeding commenced against a Seller or any predecessor of a Seller after the Closing and arising out of, or relating to, any occurrence or event happening prior to, on or after the Closing;

(xi) any obligation or Liability of a Seller in respect of environmental related matters;

(xii) all Claims (other than undisputed Cure Amounts), including in respect of accounts payable, against a Debtor arising prior to the Petition Date, and all Claims, including in respect of accounts payable, against Beta arising prior to the Closing Date;

(xiii) any obligation or Liability arising out of or relating to services or products of a Seller to the extent performed, marketed, sold or distributed prior to the Closing;

(xiv) any obligation or Liability under any Assigned Contract which arises after the Closing but which arises out of or relates to any breach that occurred prior to the

Closing, except any such obligation or Liability in respect of undisputed Cure Amounts or the payment of undisputed Cure Amounts;

(xv) any obligation or Liability under any Contract, mortgage, indenture or other instrument of a Seller not assumed by Purchaser hereunder;

(xvi) any obligation or Liability arising out of or resulting from non-compliance or alleged non-compliance with any Law, ordinance, regulation or treaty by a Seller;

(xvii) any obligation or Liability for infringement or misappropriation of any intellectual property arising out of or relating to any conduct of a Seller or operation of the Business on or before the Closing;

(xviii) any obligation or Liability of a Seller under this Agreement or any other document executed in connection herewith;

(xix) any obligation or Liability of a Seller based upon such Person's acts or omissions occurring after the Closing;

(xx) the Liabilities specifically identified and described on Schedule 2.4(a)(xviii); and

(xxi) any other Liabilities of a Seller not expressly assumed by Purchaser pursuant to Section 2.3 above.

(b) The parties acknowledge and agree that disclosure of any obligation or Liability on any Schedule to this Agreement shall not create an Assumed Liability or other Liability of Purchaser, except where such disclosed obligation has been expressly assumed by Purchaser as an Assumed Liability in accordance with the provisions of Section 2.3 hereof.

2.5 Assignment and Assumption of Contracts.

(a) At Closing, Sellers shall, pursuant to the Bankruptcy Sale Order and the Assignment and Assumption Agreement and other transfer and assignment documents requested by Purchaser, assume and sell and assign to Purchaser (the consideration for which is included in the Purchase Price), those Assignable Contracts that are set forth on a list (identifying the name, parties and date of each such Contract) provided by Purchaser to Sellers on or before September 20, 2013 (the "Assigned Contracts"); provided, however, that Purchaser shall have the right in its sole and absolute discretion to notify Sellers in writing, immediately prior to the commencement of the Sale Hearing, of (i) any Assigned Contract that it does not wish to assume (including any such Contract as to which there exists a dispute as to the amount of any Cure Amount), and (ii) any Assignable Contract that it does wish to assume and treat as an Assigned Contract hereunder.

(b) Purchaser will pay in cash all Cure Amounts in connection with the assumption and sale and assignment of Assigned Contracts for which all necessary consents and Bankruptcy Court approval to transfer have been obtained (as agreed to between Purchaser and Sellers or as determined by the Bankruptcy Court), and Purchaser will assume and agree to perform and discharge the Assumed Liabilities under the Assigned Contracts, pursuant to the

Assignment and Assumption Agreement; provided, however, that no later than the date which is three (3) Business Days prior to the date set for the Sale Hearing, Sellers shall have made available to Purchaser a schedule setting forth Sellers' good-faith estimate of all Cure Amounts for all Assignable Contracts. Notwithstanding the foregoing, if the Cure Amount with respect to any Assigned Contract as determined by the Bankruptcy Court is not acceptable to Purchaser, then Purchaser shall have the right in its sole and absolute discretion to (i) notify Sellers in writing that it does not wish to assume such Assigned Contract and, upon such notice, such contract shall no longer be treated as an Assigned Contract hereunder, (ii) object to such Cure Amount asserted by a counter-party and have such Cure Amount determined by the Court after notice and a hearing and if so determined by the Court to be in an amount not acceptable to Purchaser, then notify Sellers in writing that it does not wish to assume such Assigned Contract and, upon such notice, such contract shall no longer be treated as an Assigned Contract hereunder.

(c) Sellers shall not reject any Assignable Contract unless otherwise agreed to in writing by Purchaser except for the Assignable Contracts identified in Schedule 2.5(c). Sellers shall provide timely and proper written notice of the motion seeking entry of the Bankruptcy Sale Order to all parties to Assigned Contracts and take all other actions necessary to cause such Assigned Contracts to be assumed by Sellers and assigned to Purchaser pursuant to Section 365 of the Bankruptcy Code, and Purchaser shall, at or prior to Closing, comply with all requirements under Section 365 necessary to assign to Purchaser the Assigned Contracts. Purchaser and Sellers agree there shall be excluded from the Acquired Assets any Assigned Contracts that are not assignable or transferable pursuant to the Bankruptcy Code or otherwise without the consent of any Person other than a Seller, to the extent that such consent shall not have been given prior to the Closing, and the Closing shall proceed with respect to the remaining Acquired Assets without reduction to the Purchase Price, subject to Purchaser's termination right set forth in Section 11.1(c)(v).

ARTICLE 3 **CONSIDERATION**

3.1 Purchase Price.

(a) In consideration of the sale of the Acquired Assets to Purchaser, and in reliance upon the representations, warranties, covenants and agreements of Sellers set forth herein, and upon the terms and subject to the conditions hereinafter set forth, the purchase price (the "Purchase Price") for the Acquired Assets shall be:

(i) \$20.0 million in the form of a credit bid consisting of (A) \$250,000 of the amount of outstanding DIP Obligations (as such term is defined in the Final DIP Order) as of the Closing Date, plus (B) \$19.75 million of the amount of the outstanding Pre-Petition Senior Secured Obligations owed by Sellers to Purchaser in accordance with the Loan Documents (such amount, subject to increase in accordance with Section 3.1(c) below, the "Credit Bid Amount"); plus

(ii) the undisputed or resolved Cure Amounts; plus

(iii) a Cash Payment Amount of \$25,000 for the payment of fees estimated to be owing to the Office of the United States Trustee; plus

(iv) the assumption of the Assumed Liabilities and the performance of all other obligations of Purchaser hereunder.

(b) At the Closing, the Purchase Price shall be payable:

(i) as to the Credit Bid Amount, by Purchaser delivering to Sellers fully executed partial releases and waivers from (A) the DIP Agent with respect to the DIP Obligations (as defined in the Final DIP Order), and (B) the Pre-Petition Lender with respect to the Pre-Petition Senior Secured Obligations (the "Credit Bid Acknowledgment");

(ii) as to the Cure Amounts, in cash by wire transfer of immediately available funds to the parties to any Assigned Contracts as to which such amounts are owed;

(iii) as to the Cash Payment Amount, in cash by wire transfer of immediately available funds to the Debtors; and

(iv) as to the Assumed Liabilities, as evidenced by the Bankruptcy Sale Order, this Agreement and the Ancillary Agreements (including, without limitation, the Assignment and Assumption Agreement).

3.2 Allocation of Purchase Price.

(a) Within the earlier of (i) 120 days after the Closing Date and (ii) 20 days prior to the extended due date of the Tax Returns to which IRS Form 8594 must be attached, Purchaser shall deliver to Sellers a statement (the "Allocation Statement") allocating, for tax purposes, the consideration paid by Purchaser for the Acquired Assets among the Acquired Assets in accordance with Section 1060 of the Code and the Treasury Regulations promulgated thereunder.

(b) Purchaser and Sellers each agree to provide the other promptly with any other information required to complete IRS Form 8594.

ARTICLE 4 **REPRESENTATIONS AND WARRANTIES OF SELLER**

Each Seller hereby represents and warrants to Purchaser as of the date hereof and as of the Closing Date, based upon the information presently available and to the best of Sellers' belief, in each case except as set forth in the Debtors' Bankruptcy Schedules and Statement of Financial Affairs or known by the Purchaser (the "**Summary**");

4.1 Organization. Such Seller is duly organized and validly existing under the Laws of its state of incorporation, organization or formation and has all necessary power and authority to own, lease and operate its properties and to conduct its business in the manner in which its business is currently being conducted.

4.2 Authorization of Agreement. Subject to entry of the Bankruptcy Sale Order and authorization as is required by the Bankruptcy Court:

(a) such Seller has, or at the time of execution will have, all necessary power and authority to execute and deliver this Agreement and each Ancillary Agreement to which such Seller is or will become a party and to perform its obligations hereunder and thereunder;

(b) the execution, delivery and performance of this Agreement and each Ancillary Agreement to which such Seller is or will become a party and the consummation of the transactions contemplated hereby and thereby have been, or at the time of execution will be, duly authorized by all necessary action on the part of such Seller and no other proceedings, consents or approvals (board of directors, shareholder, manager, member or otherwise) on the part of such Seller are necessary to authorize such execution, delivery and performance; and

(c) this Agreement and each Ancillary Agreement to which such Seller is or will become a party have been, or when executed will be, duly and validly executed and delivered by such Seller and (assuming the due authorization, execution and delivery by the other parties hereto or thereto) this Agreement and each Ancillary Agreement to which such Seller is or will become a party constitutes, or will constitute, when executed and delivered, the valid and binding obligation of such Seller enforceable against such Seller in accordance with its respective terms, subject to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at Law or in equity).

4.3 Conflicts; Consents of Third Parties.

(a) The execution, delivery and performance by such Seller of this Agreement and each Ancillary Agreement to which such Seller is or will become a party, the consummation of the transaction contemplated hereby and thereby, and compliance by such Seller with any of the provisions hereof or thereof do not, and will not at the time of execution, result in the creation of any Lien or Encumbrance upon the Acquired Assets and do not, and will not at the time of execution, conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of payment, termination, modification, acceleration or cancellation under any provisions of:

(i) subject to entry of the Bankruptcy Sale Order, such Seller's certificate or articles of incorporation, organization or formation, bylaws or operating agreement, or comparable organizational documents of such Seller;

(ii) subject to entry of the Bankruptcy Sale Order, any Assigned Contract or Permit to which such Seller is a party or by which any of the Acquired Assets are bound;

(iii) subject to entry of the Bankruptcy Sale Order, any order, writ, injunction, judgment or decree of any Governmental Authority applicable to such Seller or any of the Permits, licenses, rights, properties or assets of such Seller as of the date hereof; or

(iv) subject to entry of the Bankruptcy Sale Order, any applicable Law.

(b) Subject to entry of the Bankruptcy Sale Order, no consent, waiver, approval, order, Permit or authorization of, or declaration or filing with, or notification to, any Person is required on the part of such Seller in connection with the execution, delivery and performance of this Agreement or any Ancillary Agreement to which such Seller is or will become a party, the compliance by such Seller with any of the provisions hereof or thereof, the consummation of the transactions contemplated hereby or thereby, or the assignment or conveyance of the Acquired Assets.

4.4 Title to Acquired Assets. Subject to entry of the Bankruptcy Sale Order and the Closing, Purchaser will be vested, to the maximum extent permitted by Sections 363 and 365 of the Bankruptcy Code, with good, valid, marketable and undivided title to such Acquired Assets free and clear of all Liens, Claims, Interests and Encumbrances, other than Permitted Liens.

4.5 Real Property. Such Seller has provided to Purchaser true and complete copies of the deeds or other vesting instruments of the Real Property described on Exhibit D hereto and any and all title obligations thereto and thereof in effect as of the date of this Agreement. Such Seller is the true and lawful owner of the Real Property. Such Seller has all necessary power and authority to sell the Real Property to Purchaser subject to entry of the Bankruptcy Sale Order and approval of the Bankruptcy Court. Upon entry of the Bankruptcy Sale Order and delivery to Sellers of the Credit Bid Acknowledgment to be delivered at Closing, such Seller will transfer good title to the Real Property owned by such Seller to Purchaser to the maximum extent permitted by the Bankruptcy Code free and clear of all monetary claims, Encumbrances and Liens. It is a condition precedent to Purchaser's obligations hereunder that the Real Property shall not be further encumbered by any Liens, Claims, Interests and Encumbrances, or other instruments of record or in fact, during the term of this Agreement, without the Purchaser's express written consent.

4.6 Intellectual Property. Such Seller has the valid right to use, pursuant to a license, sublicense or other agreement, any Intellectual Property used in the Business that is owned by a party other than Sellers and which is an Acquired Asset hereunder.

4.7 Environmental Matters. Since the Execution Date, (a) such Seller has not received notice of any Proceeding relating to the protection of the environment or human health and safety as it relates to Hazardous Materials ("Environmental Laws") with respect to the Acquired Assets or the Business, nor, to Sellers' knowledge, are any of the same being threatened against such Seller or any real property owned, operated, or leased by such Seller; (b) such Seller has not received any written notice of, or entered into, any obligation, order, settlement, judgment, injunction, or decree involving outstanding requirements relating to or arising under Environmental Laws; and (c) there has been no Release of any Hazardous Material into the environment at, onto, or from any property owned or leased by such Seller which would reasonably be expected to result in material Liability, costs or Claims relating to any Environmental Law.

4.8 Warranties Are Exclusive. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, SUCH SELLER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AT LAW OR IN EQUITY, IN RESPECT OF THE BUSINESS OR ANY OF ITS ASSETS (INCLUDING THE ACQUIRED ASSETS), LIABILITIES (INCLUDING THE ASSUMED LIABILITIES) OR OPERATIONS, INCLUDING WITH

RESPECT TO MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, AND ANY SUCH OTHER REPRESENTATIONS OR WARRANTIES ARE HEREBY EXPRESSLY DISCLAIMED AND NONE SHALL BE IMPLIED AT LAW OR IN EQUITY. PURCHASER HEREBY ACKNOWLEDGES AND AGREES THAT PURCHASER IS PURCHASING THE ACQUIRED ASSETS ON AN "AS IS, WHERE IS" BASIS AFTER GIVING EFFECT TO THE TERMS CONTAINED HEREIN. ALL REPRESENTATIONS AND WARRANTIES MADE HEREIN TERMINATE ON CLOSING, AND PURCHASER WAIVES ANY AND ALL CLAIMS REGARDING ANY BREACH OF REPRESENTATION OR WARRANTY AS OF THE CLOSING.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF PURCHASER AND PURCHASER
ASSIGNEE

Each Purchaser (including the Purchaser Assignee) represents and warrants to Sellers as follows:

5.1 Organization. Such Purchaser is a limited liability company duly organized, validly existing and in good standing under the Laws of the State of Delaware and has all requisite limited liability company power and authority to own its properties and assets and to conduct its business as now conducted.

5.2 Authorization and Validity. Such Purchaser has, or at the time of execution will have, all necessary limited liability company power and authority to execute and deliver this Agreement and any Ancillary Agreement to which such Purchaser is or will become a party and to perform its obligations hereunder and thereunder. The execution and delivery of this Agreement and any Ancillary Agreement to which such Purchaser is or will become a party and the performance of such Purchaser's obligations hereunder and thereunder have been, or at the time of execution will be, duly authorized by all necessary action by such Purchaser. This Agreement and each Ancillary Agreement to which such Purchaser is or will become a party have been, or at the time of execution will be, duly executed by such Purchaser and constitute, or will constitute, when executed and delivered, such Purchaser's valid and binding obligations, enforceable against such Purchaser in accordance with the respective terms hereof and thereof, except as may be limited by bankruptcy or other Laws affecting creditors' rights and subject to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at Law or in equity).

5.3 No Conflict or Violation. The execution, delivery and performance by such Purchaser of this Agreement and any Ancillary Agreement to which such Purchaser is or will become a party do not or will not at the time of execution (a) violate or conflict with any provision of the organizational documents of such Purchaser, (b) violate any provision of applicable Law, or any order, writ, injunction, judgment or decree of any court or Governmental Authority applicable to such Purchaser, or (c) violate or result in a breach of or constitute (with due notice or lapse of time, or both) an event of default or default under any material Contract to which such Purchaser is party or by which such Purchaser is bound or to which any of such Purchaser's properties or assets are subject.

5.4 Consents and Approvals. Subject to entry of the Bankruptcy Sale Order, no consent, waiver, authorization or approval of any Person and no declaration to or filing or registration with any Governmental Authority is required in connection with the execution and delivery by such Purchaser of this Agreement and each Ancillary Agreement to which such Purchaser are or will become a party or the performance by Purchaser of its obligations hereunder or thereunder.

5.5 Financial Capability. The Purchaser Assignee (a) will have at Closing sufficient funds or financing available to pay any cash portion of the Purchase Price (if applicable), any Cure Amounts and any expenses incurred by any Purchaser in connection with the transactions contemplated by this Agreement, (b) will have at Closing the resources and capabilities (financial or otherwise) to perform Purchaser Assignee's other obligations hereunder and to provide adequate assurance of future performance under each Assigned Contract, and (c) has not incurred any obligation, commitment, restriction or Liability of any kind, that would materially impair or adversely affect such resources and capabilities.

5.6 No Other Representations and Warranties. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS ARTICLE 5, NO PURCHASER NOR ANY OTHER PERSON MAKES ANY OTHER EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY ON BEHALF OF ANY PURCHASER.

ARTICLE 6 **COVENANTS OF SELLERS AND OTHER AGREEMENTS**

6.1 Pre-Closing Covenants of Sellers. Provided that Sellers have adequate funding and other resources with which to do so, Sellers covenant to Purchaser that, during the period from and including the Execution Date through and including the Closing Date or the earlier termination of this Agreement:

(a) Cooperation. Provided that Sellers have adequate funding and other resources with which to do so, including, without limitation, the ability to pay its professionals, Sellers shall use commercially reasonable efforts to obtain, and assist Purchaser in obtaining, at no cost to Purchaser (other than Cure Amounts payable at or after the Closing), such consents, waivers or approvals of any third party or Governmental Authority required for the consummation of the transactions contemplated hereby, including the sale and assignment of the Acquired Assets. Sellers shall take, or cause to be taken, all commercially reasonable actions and to do, or cause to be done, all things necessary or proper, consistent with applicable Law, to consummate and make effective as soon as possible the transactions contemplated hereby. To the extent reasonably requested by Purchaser, Sellers shall introduce the Purchaser to any Person with whom a Seller does business in connection with the Business and permit Purchaser to have discussions with such Persons about the Business or any Contract related to the Business.

(b) Access to Records, Employees and Properties. Sellers shall (i) provide Purchaser and its Related Persons reasonable access, upon reasonable notice and at reasonable times, to the personnel of Sellers and to the books and records of Sellers, related to the Business or the Acquired Assets or otherwise reasonably requested by Purchaser if reasonably necessary to comply with the terms of this Agreement or the Ancillary Agreements or any applicable Law, including access to perform field examinations and inspections of the Real Property, Gatehouses

and equipment of the Business; (ii) furnish Purchaser with such financial and operating data and other information with respect to the condition (financial or otherwise), businesses, assets, properties or operations of Sellers related to the Business as Purchaser shall reasonably request; and (iii) permit Purchaser to make such reasonable inspections and copies thereof as Purchaser may require; provided, however, that Purchaser shall use commercially reasonable efforts to prevent any such inspection from unreasonably interfering with the operation of Sellers' normal business operations or the duties of any employee of a Seller.

(c) Conduct of Business Prior to Closing. Except as expressly contemplated by this Agreement (subject to the Budget included in the Final DIP Order) or with Purchaser's prior written consent (which consent shall not unreasonably be withheld), and except for any limitations directly imposed on Debtors as a result of, and related to, their status as debtors-in-possession in the Bankruptcy Case, pursuant to any orders entered by the Bankruptcy Court or resulting from limitations in the Budget and Final DIP Order, and except to the extent expressly required or permitted under the Bankruptcy Code, other applicable Law or any ruling or order of the Bankruptcy Court:

(i) Sellers shall not directly or indirectly sell or otherwise transfer, or offer, agree or commit (in writing or otherwise) to sell or otherwise transfer, any of the Acquired Assets;

(ii) Sellers shall comply with the Final DIP Order and Budget;

(iii) Sellers shall use reasonable best efforts to prosecute entry of the Bankruptcy Sale Order prior to the Bankruptcy Sale Order Deadline, including, without limitation, giving all necessary or appropriate notices, presenting competent and sufficient evidence in support thereof, and defending against any objections thereto;

(iv) Sellers shall not permit, offer, agree or commit (in writing or otherwise) to permit, any of the Acquired Assets to become subject, directly or indirectly, to any Lien, Claim, Interest or Encumbrance, except for Permitted Liens;

(v) Sellers shall not enter into any transaction or take any other action that could be reasonably expected to cause or constitute a breach of any representation or warranty made by a Seller in this Agreement or any Ancillary Agreement;

(vi) Sellers shall comply in all material respects with all Laws applicable to a Seller or having jurisdiction over the Business or any Acquired Asset;

(vii) Sellers shall not enter into any Contract material to a Seller (individually or taken as a whole) to which a Seller is a party or by which it is bound and that is used in or related to the Business or the Acquired Assets (other than in the ordinary course of the Business) or assume, amend, modify or terminate any Contract to which a Seller is a party or by which it is bound and that is used in or related to the Business or the Acquired Assets (including any Assigned Contract), or fail to exercise any renewal right with respect to any Contract that by its terms would otherwise expire (other than in the ordinary course of the Business and, provided that, as to any Contract, any such renewal does not constitute an assumption of such Contract absent designation as an Assigned Contract pursuant to the terms of this Agreement);

(viii) Sellers shall not cancel or compromise any material debt or claim or waive or release any right of a Seller that constitutes an Acquired Asset;

(ix) Provided Sellers have the authority to do so, and are provided appropriate funding to do so, Sellers shall at all times cause to be maintained, preserved and protected all of their material Intellectual Property, and preserve all the remainder of its material property (including all improvements and all FF&E), in use or useful in the conduct of the Business and keep the same in good repair, working order and condition (taking into consideration ordinary wear and tear) and from time to time make, or cause to be made, all necessary or appropriate repairs, replacements and improvements thereto consistent with industry practices, so that the business carried on in connection therewith may be properly and advantageously conducted at all times; and

(x) Sellers shall not take, or agree, commit or offer (in writing or otherwise) to take, any actions in violation of the foregoing.

6.2 Pre-Closing Covenants of Purchaser. Purchaser covenants to Sellers that, during the period from the Execution Date through and including the Closing or the earlier termination of this Agreement:

(a) Cooperation. Purchaser shall take, or cause to be taken, all commercially reasonable actions and to do, or cause to be done, all things necessary or proper, consistent with applicable Law, to consummate and make effective as soon as possible the transactions contemplated hereby.

(b) Adequate Assurances Regarding Assigned Contracts and Required Orders. With respect to each Assigned Contract, Purchaser shall provide adequate assurance of the future performance of such Assigned Contract by Purchaser. Purchaser shall take such actions as may be reasonably requested by Sellers to assist Sellers in obtaining the Bankruptcy Court's entry of the Bankruptcy Sale Order and any other order of the Bankruptcy Court reasonably necessary to consummate the transactions contemplated by this Agreement.

(c) Sufficient Funds. Purchaser shall ensure that, on the Closing Date, Purchaser will have access to sufficient funds to pay all undisputed Cure Amounts respecting the Assigned Contracts, any Cash Payment Amount, and all of its fees and expenses incurred in connection with the transactions contemplated hereby.

(d) Permits. Purchaser shall use commercially reasonable efforts to cooperate with Sellers to obtain or consummate the transfer to Purchaser of any Permit required to own or operate the Acquired Assets under applicable Laws.

6.3 Other Covenants of Sellers and Purchaser.

(a) Personally Identifiable Information. Purchaser shall honor and observe, in connection with the transactions contemplated by this Agreement, any and all applicable Laws prohibiting the transfer of personally identifiable information about individuals and otherwise comply with the requirements of Section 363(b)(1)(A) of the Bankruptcy Code.

(b) Access to Records and Properties after Closing. Following Closing, Purchaser and Sellers agree to permit their respective representatives to have access, at reasonable times and in a manner so as not to unreasonably interfere with Purchaser's normal business operations, to the Books and Records acquired pursuant to this Agreement (or, in the case of Purchaser, books and records relating to the Business that constitute Excluded Assets) so as to enable Purchaser and Sellers to prepare Tax, financial or court filings or reports, to respond to court orders, subpoenas or inquiries, investigations, legal proceedings, audits or other proceedings of Governmental Authorities, to reconcile and resolve claims, to facilitate the wind-down of Seller's estate and the Bankruptcy Case, and to prosecute and defend legal actions or for other like purposes. During the one-year period following the Closing, if either party desires to dispose of any such records, such party shall, prior to such disposition, provide the other party with a reasonable opportunity to remove such of the records to be disposed of at the removing party's expense.

(c) Remaining Lender Claim. The Purchaser, the Pre-Petition Lender, the DIP Agent, the DIP Lenders and any holder of the Remaining Lender Claim agree that on and after the Closing none of them shall assert any portion of the Remaining Lender Claim as a secured, administrative or priority claim against the Debtors or their respective Chapter 11 or Chapter 7 estates, or against any successor to the Debtors in the event the Debtors' cases are dismissed (and the Purchaser, the Pre-Petition Lender, the DIP Agent, the DIP Lender and any holder of the Remaining Lender Claim will not object to dismissal of the Chapter 11 cases); provided, however (i) the holder of the Remaining Lender Claim may share in any distribution to general unsecured creditors as a general unsecured creditor only, and (ii) the holder of the Remaining Lender Claim may assert such unsecured claims as a defense, offset, recoupment or similar right, defense or remedy against any Person asserting a claim or cause of action that is derivative of the Sellers' rights or those of the Debtors' estates.

(d) Release of Claims. Effective as of the Closing, Purchaser shall release, and shall cause FSCM, Saviva, Meserole, Purchaser Assignee and Debs Corporation to release, to the fullest extent permitted by law, the Debtors and the Debtors' estates of and from any and all claims and liens, other than the Remaining Lender Claim, that any such party may now have, or may ever have had, against or in respect of any of the Debtors or their estates; provided, however, that nothing in this Section 6.3(d) shall in any way restrict the rights of the parties under this Agreement (including, without limitation, Section 6.3(c) hereof).

6.4 Non-Assignment of Contracts. Notwithstanding anything herein to the contrary, this Agreement shall not constitute an agreement to assign any Assigned Contract or any Permit, if, notwithstanding the provisions of Sections 363 and 365 of the Bankruptcy Code, an attempted assignment thereof, without the consent of any other Person party thereto, would constitute a breach thereof or in any way negatively affect the rights of Purchaser (unless the restrictions on assignment would be rendered ineffective pursuant to Sections 9-406 through 9-409, inclusive, of the Uniform Commercial Code, as amended), as the assignee of such Assigned Contract or Permit, as the case may be, thereunder. If, notwithstanding the provisions of Sections 363 and 365 of the Bankruptcy Code, such consent or approval is required but not obtained, neither Sellers nor Purchaser shall be in breach of this Agreement nor shall the Purchase Price be adjusted or the Closing delayed, provided that Sellers (to the extent they have the necessary funds to do so) shall cooperate with Purchaser without further consideration, in any reasonable

arrangement designed to provide Purchaser with all of the benefits of or under any such Assigned Contract or Permit, including but not limited to enforcement for the benefit of Purchaser of any and all rights of Sellers against any Person party to the Assigned Contract or Permit arising out of the breach or cancellation thereof by such Person. Any assignment to Purchaser of any Assigned Contract or Permit that shall, notwithstanding the provisions of Sections 363 and 365 of the Bankruptcy Code, require the consent or approval of any Person for such assignment as aforesaid shall be made subject to such consent or approval being obtained. For the avoidance of doubt, nothing in this Section 6.4 shall be deemed to alter any rights of the Purchaser under Section 11.1(c)(v) of this Agreement.

6.5 Casualty. If, between the Execution Date and the Closing, any of the Acquired Assets shall be destroyed or damaged in whole or in part by fire, earthquake, flood, other casualty or any other cause ("Casualty"), then Purchaser shall have the option to: (a) acquire such Acquired Assets on an "as is" basis and take an assignment from Sellers of all insurance proceeds payable to Sellers in respect of the Casualty, or (b) in the event that the Casualty would have a Material Adverse Effect, terminate this Agreement and the transactions contemplated hereby.

6.6 Employee Matters.

(a) Immediately prior to the Closing, Sellers shall terminate all of their Business Employees and, immediately upon such termination, Purchaser shall make offers of employment to no less than 77 of such Business Employees (such employment to be at will). Each offer of employment to a Business Employee shall be made on terms that are substantially similar in the aggregate to the terms of employment between such Business Employee and Sellers, as applicable, prior to the Closing. Sellers shall be responsible for compliance with all Laws relating to the termination of its Business Employees. All Business Employees who accept an offer of employment from, and converse employment with, Purchaser shall be referred to herein as "Transferred Employees."

(b) Purchaser shall adopt and assume at and as of the Closing the Debtors 401k Plan and any other benefit plans listed on the Benefit Plan Schedule to be delivered at Closing and agreed to by the parties.(the "Assumed Plans") and each trust, insurance contract, annuity contract, or other funding arrangement established with respect thereto. Sellers will transfer (or cause the plan administrators to transfer) at and as of the Closing all of the corresponding assets associated with the Assumed Plans that Purchaser is adopting and assuming. Purchaser shall cause each compensation or employee benefit plan, program, or arrangement maintained or contributed to by Purchaser and in which any such Transferred Employee becomes eligible to participate, to treat the prior service of such Transferred Employee with any of Sellers as service rendered to Purchaser for all purposes (including vesting, eligibility, and benefit accrual purposes), but other than for purposes of benefit accrual under any defined benefit plan or vesting and/or retirement eligibility under any equity compensation plan, to the extent that such prior service was recognized under the applicable plan of Sellers immediately prior to the Closing Date and to the extent that such service crediting does not violate any applicable Law or result in duplication of benefits for the same period of service.

(c) Following the Closing, Purchaser shall honor the ability of each Transferred Employee to take all vacation, sick, personal or similar PTO days (regular,

supplemental or banked) accrued or earned but not yet taken by each such Transferred Employee as of the Closing (“Non-Cash PTO Obligations”) in accordance with Sellers' benefit plans. For purposes of clarification, to the extent that any Transferred Employee is entitled under applicable law or any benefit plans of Sellers to be paid in cash for any such vacation, sick, personal or similar PTO days (regular, supplemental or banked) that have been accrued or earned but not yet taken by such Transferred Employee upon termination of employment with Sellers (“Cash PTO Obligations”), such cash amounts are expressly not being assumed by Purchaser and are an Excluded Liability.

(d) Purchaser shall make Transferred Employees reasonably designated by Debtors reasonably available during times mutually agreed upon for up to 3 months post Closing to (i) assist Debtors in preparing and filing reports with the office of the United States Trustee, (ii) support the Debtors' objections to claims asserted by the Internal Revenue Service, and (iii) prepare final tax returns for the Debtors and support the Debtors' resolving the bankruptcy cases.

ARTICLE 7

TAXES

7.1 Taxes Related to Purchase of Acquired Assets. All local Taxes (other than Taxes of Sellers) in connection with the transfer of the Acquired Assets, and all recording and filing fees (collectively, “Transaction Taxes”), that are imposed by reason of the sale, transfer, assignment and delivery of the Acquired Assets shall be borne by Purchaser. Purchaser and Sellers shall cooperate to (a) determine the amount of Transaction Taxes payable in connection with the transactions contemplated under this Agreement, (b) provide all requisite exemption certificates, and (c) prepare and file any and all required Tax Returns for or with respect to such Transaction Taxes with any and all appropriate taxing authorities.

7.2 Waiver of Bulk Sales Laws. To the greatest extent permitted by applicable Law, Purchaser and Sellers hereby waive compliance by Purchaser and Sellers with the terms of any bulk sales or similar Laws in any applicable jurisdiction in respect of the transactions contemplated by this Agreement. The Bankruptcy Sale Order shall exempt Sellers and Purchaser from compliance with any such Laws.

ARTICLE 8

BANKRUPTCY COURT APPROVALS

8.1 Bankruptcy Sale Order. Debtors and Purchaser shall use their reasonable best efforts to obtain entry of the Bankruptcy Sale Order by the Bankruptcy Court pursuant to Sections 363 and 365 of the Bankruptcy Code, which shall contain, among other provisions reasonably requested by Purchaser, the following provisions (it being understood that certain of such provisions may be contained in either the findings of fact or conclusions of law to be made by the Bankruptcy Court as part of the Bankruptcy Sale Order):

(a) the transfers of the Acquired Assets by Debtors to Purchaser (i) are or will be legal, valid and effective transfers of the Acquired Assets, (ii) vest or will vest Purchaser with all right, title and interest of Debtors in and to the Acquired Assets free and clear of all “Liens” and “Claims” (as defined in Section 101(5) of the Bankruptcy Code) pursuant to Section 363(f) of the Bankruptcy Code whatsoever known or unknown, fixed, liquidated, contingent or

otherwise, including, but not limited to, any of Debtors' creditors, vendors, suppliers, employees or lessors and any other person that is the holder of one of the Claims (collectively "Claimants") and that Purchaser shall not be liable in any way (as successor entity or otherwise) for any Claims that any of the Claimants or any other third party may have against any Debtor, the Business and the Acquired Assets and permanently enjoins and restrains the assertion and prosecution of any Claims by Claimants or any other third party against Purchaser and the ownership, use and operation of the Acquired Assets, other than claims on the account of Assumed Liabilities; and (iii) constitute transfers for reasonably equivalent value and fair consideration under the Bankruptcy Code and the laws of the State of California;

(b) all Persons are enjoined from taking any action against Purchaser to recover any claim which such Person has solely against a Debtor;

(c) the Bankruptcy Court retains exclusive jurisdiction to interpret, construe and enforce the provisions of this Agreement and the Bankruptcy Sale Order in all respects, to resolve any and all disputes that may arise under this Agreement as between Debtors and Purchaser, and further to hear and determine any and all disputes between Debtors and/or Purchaser, as the case may be, and any non-Debtor party to, among other things any Assigned Contracts, concerning inter alia, a Seller's assignment thereof to Purchaser under this Agreement and any non-Seller's claims arising under any agreements relating to Excluded Assets; provided that in the event the Bankruptcy Court abstains from exercising or declines to exercise jurisdiction with respect to any matter provided for in this clause (c) or is without jurisdiction, such abstention, refusal or lack of jurisdiction shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction of any other court having competent jurisdiction with respect to any such matter;

(d) the provisions of the Bankruptcy Sale Order are nonseverable and mutually dependent;

(e) the transactions contemplated by this Agreement are undertaken by Purchaser and Debtors at arm's length, without collusion and in good faith within the meaning of Section 363(m) of the Bankruptcy Code, and such parties are entitled to the protections of Section 363(m) of the Bankruptcy Code;

(f) a determination that not selling the Acquired Assets free and clear of Liens and Claims would impact adversely on Debtors' bankruptcy estate;

(g) a determination that a sale of the Acquired Assets other than one free and clear of Liens and Claims would be of substantially less benefit to the estate of Debtors;

(h) Debtors may assign and transfer to Purchaser all of Debtors' right, title and interest (including common law rights) to all of their respective intangible property;

(i) approves Debtors' assignment of the Assigned Contracts pursuant to Sections 363 and 365 of the Bankruptcy Code, defines the relevant Cure Amounts, identifies the correct version of the Assigned Contracts, enjoins the other party to such Assigned Contracts from raising after the date of the assumption and assignment that there are any uncured defaults under such contract, holds that any party that may have had the right to consent to the assignment

of its Assigned Contract is deemed to have consented to such assignment as required by Section 365(e)(2)(A)(ii) of the Bankruptcy Code if it fails to object to the assumption and assignment, and orders Purchaser to pay any Cure Amounts payable to the other parties to the Assigned Contracts consistent with the terms of this Agreement;

(j) provides for the waiver of so-called “bulk-sale” laws in all necessary jurisdictions; and

(k) provides that the Assumed Liabilities do not include any liabilities or obligations other than those expressly assumed, and in the amounts so expressly assumed, under Section 2.3 hereof.

8.2 Appeal. If the Bankruptcy Sale Order or any other orders of the Bankruptcy Court relating to this Agreement shall be appealed by any Person (or a petition for certiorari or motion for rehearing or re-argument shall be filed with respect thereto), and provided that Sellers have adequate funding and resources to do so, including, without limitation, the ability to pay its professionals, Sellers agree to take all steps as may be reasonable and appropriate to defend against such appeal, petition or motion, and Purchaser agrees to cooperate in such efforts. Each party hereto agrees to use its reasonable best efforts to obtain an expedited resolution of such appeal, provided that nothing herein shall preclude the parties hereto from consummating the transactions contemplated herein if the Bankruptcy Sale Order shall have been entered and has not been stayed and Purchaser has waived in writing the requirement that the Bankruptcy Sale Order be a final order in which event Purchaser shall be able to assert the benefits of Section 363(m) of the Bankruptcy Code as a consequence of which such appeal shall become moot.

8.3 Failure to Approve. If the Bankruptcy Court refuses to issue the Bankruptcy Sale Order or to approve any third party buyer at the Sale Hearing, then this transaction shall automatically terminate and Purchaser and Sellers shall be relieved of any liability or obligation hereunder.

8.4 Cooperation. Sellers shall use their respective reasonable best efforts to obtain the entry of the Bankruptcy Sale Order and to cooperate with Purchaser and its representatives in connection with the Bankruptcy Sale Order and the related bankruptcy proceedings. Such cooperation shall include, but not be limited to, consulting with Purchaser at Purchaser’s reasonable request concerning the status of such proceedings, providing testimony or declarations and presenting other relevant admissible evidence in support thereof, and providing Purchaser with copies of requested pleadings, notices, proposed orders and other documents relating to such proceedings as soon as reasonably practicable in connection with any submission thereof to the Bankruptcy Court. Sellers further covenant and agree that the terms of any plan submitted by Sellers to the Bankruptcy Court for confirmation shall not conflict with, supersede, abrogate, nullify, modify or restrict the terms of this Agreement and the rights of Purchaser hereunder, or in any way prevent or interfere with the consummation or performance of the transactions contemplated by this Agreement including, without limitation, any transaction that is contemplated by or approved pursuant to the Bankruptcy Sale Order.

ARTICLE 9
CONDITIONS PRECEDENT TO PERFORMANCE BY THE PARTIES

9.1 Conditions Precedent to Performance by Seller. The obligation of Sellers to consummate the transactions contemplated by this Agreement is subject to the fulfillment, at or before the Closing, of the following conditions, any one or more of which (other than the conditions contained in Section 9.1(c) and Section 9.1(d)) may be waived by Sellers, in their sole discretion:

(a) Representations and Warranties of Purchaser. The representations and warranties of Purchaser made in this Agreement that are qualified by a materiality standard, in each case, shall be true and correct in all respects on and as of the Closing Date, and the representations and warranties of Purchaser made in this Agreement that are not qualified by a materiality standard, in each case, shall be true and correct in all material respects on and as of the Closing Date.

(b) Performance of the Obligations of Purchaser. Purchaser shall have performed in all material respects all obligations required under this Agreement or any Ancillary Agreement to which it is party that are to be performed by it at or before the Closing (except with respect to (i) the obligation to pay the Purchase Price in accordance with the terms of this Agreement (which shall be paid at the Closing) and (ii) any obligations qualified by materiality, which obligations shall be performed in all respects as required under this Agreement).

(c) Bankruptcy Court Approval. The Bankruptcy Sale Order shall have been entered on or prior to the Bankruptcy Sale Order Deadline and shall not be subject to a stay, including any stay provided for in Bankruptcy Rule of Procedure 6004.

(d) No Stay. No preliminary or permanent injunction or other order of any court or Governmental Authority or Law that prevents the consummation of the transactions contemplated hereby shall be in effect.

(e) Assumption, Sale and Assignment of Contracts. Subject to Section 2.5(b) and Section 6.4, the Contracts designated hereunder as Assigned Contracts shall be so assumed, sold and assigned to Purchaser by the Bankruptcy Sale Order.

(f) Deliveries. Purchaser shall have made the deliveries referenced in Section 10.3.

For avoidance of doubt, there shall be no conditions precedent to Sellers' obligation to consummate the transactions contemplated by this Agreement, except for those conditions precedent specifically set forth in this Section 9.1.

9.2 Conditions Precedent to the Performance by Purchaser. The obligations of Purchaser to consummate the transactions contemplated by this Agreement are subject to the fulfillment, at or before the Closing, of the following conditions, any one or more of which (other than the conditions contained in Section 9.2(c) (except as expressly provided therein) and Section 9.2(d)) may be waived by Purchaser, in its sole discretion:

(a) Representations and Warranties of Sellers. The representations and warranties of Sellers made in this Agreement that are qualified by a materiality standard, in each case, shall be true and correct in all respects on and as of the Closing Date, and the

representations and warranties of Sellers made in this Agreement that are not qualified by a materiality standard, in each case, shall be true and correct in all material respects on and as of the Closing Date.

(b) Performance of the Obligations of Sellers. Sellers shall have performed in all material respects all obligations required under this Agreement or any Ancillary Agreement to which it is party that are to be performed by it at or before the Closing (except with respect to any obligations qualified by materiality, which obligations shall be performed in all respects as required under this Agreement).

(c) Bankruptcy Court Approval. On or prior to the Bankruptcy Sale Order Deadline, Bankruptcy Sale Order shall have been entered in form and substance reasonably acceptable to Purchaser and shall not be subject to a stay, including any stay provided for Bankruptcy Rule of Procedure 6004, and the Bankruptcy Court shall have provided such other relief as may be necessary or appropriate to allow the consummation of the transactions contemplated by this Agreement, including the valid transfer of all Assigned Contracts. The Bankruptcy Sale Order shall have become a final and nonappealable order, unless this condition has been waived in writing by Purchaser in its sole discretion.

(d) No Stay. No preliminary or permanent injunction or other order of any court or Governmental Authority or Law that prevents the consummation of the transactions contemplated hereby shall be in effect.

(e) Credit Bid Approval. The Bankruptcy Court shall have entered an order, binding on all parties in interest in the Bankruptcy Case, fully, unconditionally and finally allowing, authorizing and approving, without possibility of subsequent invalidation or disgorgement, the bid by Purchaser contemplated by this Agreement pursuant to Section 363(k) of the Bankruptcy Code of the Purchase Price (including a credit against the Indebtedness owed by Sellers to Purchaser in an amount equal to the Credit Bid Amount) or any increase in the Purchase Price as contemplated by Section 3.1(c).

(f) Cure Amounts. Any dispute relating to the amount of any material Cure Amount due under any Assigned Contract shall have been resolved to the satisfaction of Purchaser, in its sole discretion.

(g) Material Adverse Effect. Since the Execution Date, there shall not have occurred a Material Adverse Effect.

(h) Assumption, Sale and Assignment of Contracts. Subject to Section 6.4, the Contracts designated hereunder as Assigned Contracts shall be so assumed, sold and assigned to Purchaser by order of the Bankruptcy Court reasonably satisfactory to Purchaser.

(i) Deliveries. Sellers shall have made the deliveries referenced in Section 10.2.

For avoidance of doubt, there shall be no conditions precedent to Purchaser's obligation to consummate the transactions contemplated by this Agreement, except for those conditions precedent specifically set forth in this Section 9.2.

ARTICLE 10
CLOSING AND DELIVERIES

10.1 Closing. The consummation and effectuation of the transactions contemplated hereby pursuant to the terms and conditions of this Agreement (the “Closing”) shall be held two (2) Business Days after the date that all conditions to the parties’ obligations to consummate the transactions contemplated herein have been satisfied (the “Closing Date”) (except for closing conditions that by their terms can only be satisfied on the Closing Date) or, if applicable, waived by the appropriate party or parties, at 10:00 a.m., local time, at the offices of DLA Piper LLP (US), 1251 Avenue of the Americas, New York, New York 10020, or on such other date or at such other place and time as may be mutually agreed to in writing by the parties. All proceedings to be taken and all documents to be executed and delivered by all parties at the Closing shall be deemed to have been taken and executed simultaneously and no proceedings shall be deemed to have been taken nor documents executed or delivered until all have been taken, executed and delivered.

10.2 Seller’s Deliveries. At the Closing, Sellers, as applicable shall deliver to Purchaser:

(a) An executed and acknowledged quit-claim deed with respect to the Real Property in the form attached hereto as Exhibit F (the “Deed”);

(b) any and all required transfer tax returns, duly executed by Sellers, on condition that Sellers are funded for any professional fees in connection therewith;

(c) such other agreements, documents and/or instruments, in form and substance acceptable to Purchaser and Sellers, as may be necessary to transfer, convey and deliver the Real Property from Sellers to Purchaser and to vest in Purchaser title thereto; and

(d) the sale, transfer, assignment, conveyance and delivery by Sellers of the Acquired Assets (other than the Real Property) to Purchaser shall be effected by the execution and delivery by Sellers of (i) the Bill of Sale, (ii) the Assignment and Assumption Agreement, (iii) the Patent Assignment, (iv) the Trademark Assignment, and (v) such other Ancillary Agreements (including additional bills of sale, endorsements, assignments and other instruments of transfer and conveyance) as requested by Purchaser in form and substance reasonably satisfactory to Purchaser;

(e) Sellers shall deliver non-foreign affidavits dated as of the Closing Date in form and substance required under Treasury Regulations issued pursuant to Section 1445 of the Code so that Purchaser is exempt from withholding any portion of the Purchase Price;

(f) [left blank];]

(g) Sellers shall allow Purchaser to take possession of the Acquired Assets;

(h) Sellers shall deliver a certified copy of the Bankruptcy Sale Order; and

(i) keys to any locks or electronic codes for access to the improvements on the Real Property in possession or control of Sellers.

10.3 Purchaser's Deliveries. At the Closing, Purchaser shall deliver to Sellers, or cause to be delivered to Sellers:

- (a) the Credit Bid Acknowledgment for the Purchase Price;
- (b) any and all required transfer tax returns, duly executed by Purchaser, as transferee;
- (c) the Assignment and Assumption Agreement, executed by Purchaser; and
- (d) the releases contemplated by Section 6.3(d) in a form or forms as are reasonably acceptable to Sellers.

10.4 Conditions to Closing. The obligations of Purchaser and Sellers to consummate the Closing pursuant to this Agreement is subject to the satisfaction of the following conditions:

- (a) The Bankruptcy Court shall have approved this Agreement by having entered the Bankruptcy Sale Order (including the finding that the Purchaser is a "good faith" purchaser within the meaning of Section 363(m) of the Bankruptcy Code) and waiving any stay that would otherwise be applicable pursuant to Bankruptcy Rule 6004(h) or 6006(d) and as of the Closing Date, the Bankruptcy Sale Order shall be in full force and effect and shall not have been stayed, vacated or reversed, and which must be sufficient for transfer of the Acquired Assets out of the Seller's bankruptcy estate without further Bankruptcy Court Order;
- (b) Sellers have determined that Purchaser has submitted the highest and best bid for the Acquired Assets in accordance with the terms of the Agreement and Bankruptcy Sale Order;
- (c) No order shall be in effect that restrains, enjoins, stays or prohibits the consummation of the sale contemplated hereunder; and
- (d) Purchaser and Sellers have made their respective deliveries under Sections 10.2 and 10.3, as applicable.

10.5 Sellers' Default/Purchaser's Remedies. If a Seller wrongfully fails to sell Acquired Assets to Purchaser in accordance with this Agreement, or breaches any of its duties, obligations, covenants, representations or warranties contained in this Agreement, or fails or is unable to deliver any of the documents required to be delivered by such Seller hereunder, Purchaser shall be entitled to terminate this Agreement prior to Closing or to pursue an action for specific performance against such Seller. The breach by a Seller of any of its duties, obligations, covenants, representations or warranties contained in this Agreement or the failure of a Seller to deliver any of the documents hereunder shall not relieve Purchaser after Closing of any obligations with respect to the payment of the Assumed Liabilities.

10.6 Purchaser's Default/Sellers' Remedies. If Purchaser wrongfully fails to purchase the Acquired Assets on the Closing Date in accordance with the terms hereof, then Sellers may

elect, as their sole and exclusive remedy at law or in equity, to require payment of \$50,000.00 as liquidated damages (“Liquidated Damages”) from Purchaser. Purchaser and Sellers acknowledge and agree that damages which would be sustained by Sellers in the event of a breach by Purchaser of its obligations under this Agreement would be difficult to determine and in such event that the Liquidated Damages would represent a reasonable estimate of such damages not intended as a penalty.

10.7 Closing Costs. Purchaser and Sellers shall each pay their own attorneys’ and consultants’ fees. Purchaser shall pay all transfer and recordation charges payable upon recordation of the Deed. All other costs shall be paid by Purchaser as is customary in the geographic area in which the Real Property is located.

ARTICLE 11 **TERMINATION**

11.1 Conditions of Termination. This Agreement may be terminated only in accordance with this Section 11.1. This Agreement may be terminated at any time before the Closing as follows:

- (a) by mutual written consent of Sellers and Purchaser; or
- (b) automatically and without any action or notice by either Sellers to Purchaser, or Purchaser to Sellers, immediately upon the issuance of a final and nonappealable order, decree, or ruling or any other action by a Governmental Authority to restrain, enjoin or otherwise prohibit the transfer of the Acquired Assets, or any material portion (as determined by Purchaser in its reasonable discretion) thereof, to Purchaser as contemplated by this Agreement.
- (c) by Purchaser:
 - (i) if the Bankruptcy Court has not entered the Bankruptcy Sale Order by October 4, 2013 (or such later date as Purchaser may have designated in writing to Sellers);
 - (ii) if there has been a material violation or breach by Sellers of any representation, warranty or covenant contained in this Agreement which (A) has rendered the satisfaction of any material condition to the obligations of Purchaser impossible or is not curable or, if curable, has not been cured within ten (10) Business Days following receipt by Sellers of written notice of such breach from Purchaser, and (B) has not been waived by Purchaser;
 - (iii) at any time after the Bankruptcy Sale Order Deadline, if the Closing shall not have occurred and such failure to close is not caused by or the result of Purchaser’s breach of this Agreement;
 - (iv) if, prior to the Closing Date, Sellers’ Bankruptcy Case shall be converted into a case under Chapter 7 of the Bankruptcy Code or dismissed, or if a trustee or examiner with expanded powers is appointed in the Bankruptcy Case;
 - (v) if there shall be excluded from the Acquired Assets any Assigned Contract that is not assignable or transferable pursuant to the Bankruptcy Code or otherwise

without the consent of any Person other than a Seller, to the extent that such consent shall not have been given prior to the Closing and the exclusion of such Assigned Contract would reasonably be expected to have a Material Adverse Effect on the Business;

(vi) if Purchaser so elects in writing pursuant to Section 6.5 hereof; or

(vii) At any time after December 1, 2013 if the Closing shall not have occurred.

(d) by Sellers,

(i) if there has been a material violation or breach by Purchaser of any agreement or any representation or warranty contained in this Agreement which (A) has rendered the satisfaction of any material condition to the obligations of Sellers impossible or is not curable or, if curable, has not been cured within ten (10) Business Days following receipt by Purchaser of written notice of such breach from Sellers, and (B) has not been waived by Sellers;

(ii) at any time after the Bankruptcy Sale Order Deadline, if the Closing shall not have occurred and such failure to close is not caused by or the result of Sellers' breach of this Agreement;

(iii) at any time after December 1, 2013 if the Closing shall not have occurred.

11.2 Effect of Termination. In the event of termination pursuant to Section 11.1, this Agreement shall become null and void and have no effect and neither party shall have any Liability to the other (other than the provisions of Section 10.5 and Section 10.6 and those provisions of Section 6.5, Article 11 and Article 12 hereof that expressly survive termination or obligations to be performed on or after the Closing), except that Purchaser, on the one hand, or Sellers, on the other hand, shall be liable to the other party for any damages suffered by such party on account of any prior material or willful breach hereof by Purchaser or Sellers, as applicable.

ARTICLE 12 **MISCELLANEOUS**

12.1 Survival. Except for the agreements expressly referenced elsewhere herein as surviving the Closing, none of the representations, warranties, covenants or agreements of Sellers or Purchaser made in this Agreement shall survive the Closing.

12.2 Further Assurances. At the request and, unless another provision of this Agreement expressly provides otherwise as to the type of request at issue, the sole expense of the requesting party, Purchaser or Sellers, as applicable, shall execute and deliver, or cause to be executed and delivered, such documents as Purchaser or Sellers, as applicable, or their respective counsel may reasonably request to effectuate the purposes of this Agreement and the Ancillary Agreements. Each party, provided that Sellers have adequate funding and other resources with which to do so, shall use commercially reasonable efforts to take, or cause to be taken, all other actions and to do, or cause to be done, all other things reasonably necessary, proper or advisable

to consummate and make effective as promptly as practicable the transactions contemplated hereby.

12.3 Successors and Assigns.

(a) Purchaser shall have the right to assign any of its rights (including the right to acquire any of the Acquired Assets) and obligations under this Agreement, any Ancillary Agreement or any other document or instrument, in whole to the Purchaser Assignee. Following such assignment, such assignee have the rights and obligations of Purchaser hereunder to the extent of such assignment and shall be bound by the releases and agreements set forth herein; provided, however, that no such assignment shall relieve Purchaser of its obligations to the Sellers with respect to the Assumed Liabilities or Section 10.6, to the extent not satisfied by the Purchaser Assignee or any subsequent assignee or successor. To the extent the Purchaser Assignee transfers all or substantially all of the Acquired Assets to a Person, such Person shall assume all obligations hereunder with respect to the Assumed Liabilities.

(b) Purchaser shall have the right to assign this Agreement or any of its rights or obligations hereunder as collateral to any lender of Purchaser, and Sellers will sign a consent with respect thereto if so requested by Purchaser or its lender, provided, however, that no such assignment shall relieve Purchaser of its obligations to Sellers hereunder.

(c) This Agreement shall inure to the benefit of and shall be binding upon the successors and permitted assigns of the parties hereto, including any trustee appointed in the Bankruptcy Case or subsequent Chapter 7 case and Seller, if the Bankruptcy Case are dismissed.

12.4 Governing Law; Jurisdiction. This Agreement shall be construed, performed and enforced in accordance with, and governed by, the Laws of the State of California (without giving effect to the principles of conflicts of law thereof), except to the extent that the Laws of such State are superseded by the Bankruptcy Code or other applicable federal Law. For so long as a Seller is subject to the jurisdiction of the Bankruptcy Court, the parties irrevocably elect, as the sole judicial forum for the adjudication of any matters arising under or in connection with the Agreement, and consent to the exclusive jurisdiction of, the Bankruptcy Court. After each Debtor is no longer subject to the jurisdiction of the Bankruptcy Court, the parties irrevocably elect, as the sole judicial forum for the adjudication of any matters arising under or in connection with this Agreement, and consent to the jurisdiction of, any state or federal court having competent jurisdiction in the State of Delaware.

12.5 Expenses. Except as otherwise provided in this Agreement, each of the parties shall pay their own expenses in connection with this Agreement and the transactions contemplated hereby, including any legal and accounting fees and commissions or finder's fees, whether or not the transactions contemplated hereby are consummated. Purchaser shall pay the cost of all surveys, title insurance policies and title reports ordered by Purchaser.

12.6 Severability. In the event that any part of this Agreement is declared by any court or other judicial or administrative body to be null, void or unenforceable, a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision, said provision shall survive to the extent it is not so declared, and all of the other provisions of this Agreement

shall remain in full force and effect only if, after excluding the portion deemed to be unenforceable and the application of any provision so substituted, the remaining terms shall provide for the consummation of the transactions contemplated hereby in substantially the same manner as originally set forth at the later of (a) the Execution Date and (b) the date this Agreement was last amended.

12.7 Notices.

(a) All notices, requests, demands, consents and other communications under this Agreement shall be in writing and shall be deemed to have been duly given (i) on the date of service, if served personally on the party to whom notice is to be given; (ii) on the first Business Day after delivery to Federal Express or similar overnight courier or the Express Mail service maintained by the United States Postal Service addressed to the party to whom notice is to be given, if served via Federal Express or similar overnight courier or Express Mail service; (iii) on the date sent by facsimile or electronic mail, with confirmation of transmission, if sent during normal business hours of the recipient, if not, then on the next Business Day; or (iv) on the third Business Day after mailing, if mailed to the party to whom notice is to be given, by first class mail, registered or certified, postage prepaid and properly addressed, to the party as follows:

If to Sellers:

Managing Director
Executive Sounding Board Associates Inc.
2 Penn Center, 1500 JFK Blvd, Suite 1730
Philadelphia, PA 19102
Attention: Robert D. Katz, CTP, MBA, CPA,
Managing Director
Email: rdkatz@esba.com

with copy to (which shall not constitute notice):

Stutman, Treister & Glatt
1901 Avenue of the Stars, 12th Floor
Los Angeles, CA 90067
Attention: Gary Klausner
Email: gklausner@stutman.com

If to Purchaser:

Fuller Smith Capital Management, LLC
23 Jefferson Rd.
Princeton, NJ 08540
Attention: Daniel J. Fuller
Email: djf@fullersmith.com

Meserole, LLC
152 West 57th Street, 54th Floor
New York, NY 10019

Attention: Ari Hirt
Email: ahirt@platinumllc.com

with copy to (which shall not constitute notice):

DLA Piper LLP (US)
1201 North Market Street, Suite 2100
Wilmington, DE 19801
Attention: Stuart Brown
Email: sbrown@dlapiper.com

(b) Any party may change its address or facsimile number for the purpose of this Section 12.7 by giving the other parties written notice of its new address in the manner set forth above.

12.8 Amendments; Waivers. This Agreement may be amended or modified, and any of the terms, covenants, representations, warranties or conditions hereof may be waived, only by a written instrument executed by Purchaser and Sellers, or in the case of a waiver, by the party waiving compliance. Any waiver by any party of any condition, or of the breach of any provision, term, covenant, representation or warranty contained in this Agreement, in any one or more instances, shall not be deemed to be or construed as a furthering or continuing waiver of any such condition, or of the breach of any other provision, term, covenant, representation or warranty of this Agreement.

12.9 Entire Agreement; Assignment. This Agreement and the other Ancillary Agreements contain the entire understanding between the parties with respect to the transactions contemplated hereby and supersede and replace all prior and contemporaneous agreements and understandings, oral or written, with regard to such transactions. Neither this Agreement nor any of the rights, interests, or obligations hereunder shall be transferred, delegated, or assigned by any Seller (by operation of law or otherwise) without the prior written consent of Purchaser (in its sole discretion). Purchaser shall have the right to transfer its rights, interests and obligations hereunder, provided that Purchaser shall remain liable for all of its obligations hereunder. Purchaser shall have the right to direct the transfer or delivery of any portion of the Acquired Assets and/or Assumed Liabilities to any third party.

12.10 Sellers' Disclosures. After notice to and consultation with Purchaser, Sellers shall be entitled to disclose, if required by applicable Law or by order of the Bankruptcy Court, this Agreement and all information provided by Purchaser in connection herewith to the Bankruptcy Court, the United States Trustee, parties in interest in the Bankruptcy Case and other Persons bidding on assets of Seller. Other than statements made in the Bankruptcy Court (or in pleadings filed therein), Sellers shall not issue (prior to, on or after the Closing) any press release or make any public statement or public communication with respect to the Agreement or transactions contemplated thereby without the prior written consent of Purchaser.

12.11 Headings. The article and Section headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

12.12 Electronic Delivery; Counterparts. This Agreement and any signed agreement or instrument entered into in connection with this Agreement, and any amendments hereto or thereto, may be executed in one or more counterparts, all of which shall constitute one and the same instrument. Any such counterpart, to the extent delivered by means of a facsimile machine or by .pdf, .tif, .gif, .peg or similar attachment to electronic mail (any such delivery, an “Electronic Delivery”), shall be treated for all manners and in all respects as an original executed counterpart and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto, each other party hereto or thereto shall re-execute the original form of this Agreement and deliver such form to all other parties. No party hereto shall raise the use of Electronic Delivery to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of Electronic Delivery as a defense to the formation of a contract, and each such party forever waives any such defense, except to the extent such defense relates to lack of authenticity.

12.13 Waiver of Jury Trial.

(a) EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY LITIGATION, ACTION, PROCEEDING, CROSS-CLAIM, OR COUNTERCLAIM IN ANY COURT (WHETHER BASED ON CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF, RELATING TO OR IN CONNECTION WITH (i) THIS AGREEMENT OR THE VALIDITY, PERFORMANCE, INTERPRETATION, COLLECTION OR ENFORCEMENT HEREOF OR (ii) THE ACTIONS OF SUCH PARTY IN THE NEGOTIATION, AUTHORIZATION, EXECUTION, DELIVERY, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT HEREOF. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN THEIR RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH LEGAL COUNSEL OF ITS OWN CHOOSING, OR HAS HAD AN OPPORTUNITY TO DO SO, AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS, HAVING HAD THE OPPORTUNITY TO CONSULT WITH LEGAL COUNSEL.

(b) THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS, OR MODIFICATIONS TO THIS AGREEMENT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT WITHOUT A JURY.

12.14 Third Party Beneficiaries. Except for the Persons who are provided with any payments, benefits or protections as set forth on Schedule 2.3(f) hereto, including Persons who are Transferred Employees, Business Employees or "potentially responsible parties", and Persons whose liabilities are expressly assumed as Assumed Liabilities hereunder, no provision of this Agreement (including Section 6.4) is intended to confer upon any Person other than the parties hereto any rights or remedies hereunder.

[Signatures appear on following page.]

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

PURCHASER:

MESEROLE, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

**FULLER SMITH CAPITAL MANAGEMENT,
LLC,**
a Delaware limited liability company

By: _____
Name: _____
Title: _____

SELLERS:

COLOREP, INC.,
a California corporation

By: _____
Name: _____
Title: _____

Transprint USA, Inc.,
a Virginia corporation

By: _____
Name: _____
Title: _____

Beta Color, LLC,
a California limited liability company

By: _____
Name: _____
Title: _____

EXHIBIT A

Form of Assignment and Assumption Agreement

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this “**Assignment Agreement**”) is made and entered into as of _____, 2013, by and between Colorep, Inc., Transprint USA, Inc., and Beta Color, LLC (collectively, the “**Assignors**”), on the one hand, and AirDye Solutions, LLC (“**Assignee**”), as Purchaser Assignee and a Purchaser pursuant to that certain Asset Purchase Agreement (the “**Agreement**”), dated as of October __, 2013, by and among, Assignors and the other parties named therein, on the other hand. Capitalized terms used but not defined herein shall have the meanings set forth in the Agreement.

WHEREAS, pursuant to the terms of the Agreement, the Assignors have agreed to sell, transfer, assign, and convey to the Assignee the Acquired Assets and, in connection with such sale and transfer, the Assignee has agreed to assume the Assumed Liabilities of the Assignor, each on the terms set forth in the Agreement; and

WHEREAS, this Assignment Agreement is being executed and delivered by the Assignor and the Assignee in connection with the Closing of the transactions contemplated by the Agreement.

NOW, THEREFORE, for and in consideration of the mutual agreements of the parties set forth in the Agreement and herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties, intending to be legally bound, and upon the terms set forth herein, agree as follows:

1. **Assignment.** Subject to the terms and conditions of the Agreement, the Assignors do hereby assign and convey to the Assignee all of the Assignors’ right, title and interest in and to the Acquired Assets.
2. **Assumption of Liabilities.** Subject to the terms and conditions of the Agreement, the Assignee hereby expressly assumes and agrees to pay, perform and discharge, in accordance with their terms, as the same shall become due for payment, performance or discharge, from and after the Closing, all Assumed Liabilities, and further agrees to indemnify and hold harmless the Assignors and their respective Affiliates from and against any and all Claims or Liabilities related to the Assumed Liabilities.
3. **Terms of the Agreement.** Nothing contained herein shall supersede, modify, limit, eliminate or otherwise affect any of the representations and warranties, covenants, agreements or indemnities set forth in the Agreement, each of which is hereby incorporated herein by this reference. In the event of any conflict or inconsistency between the terms of the Agreement and the terms hereof, the terms of the Agreement shall govern.

4. Further Assurances. The Assignors and the Assignee each hereby covenants with the other parties that at any time and from time to time after the date hereof, that each shall, upon the written request of another party, at the cost of the requesting party, promptly execute and deliver, or cause to be executed and delivered, to the requesting party all such other documents, as the requesting party may reasonably request in order to carry out or evidence the terms of this Agreement.

4. Miscellaneous.

(a) Headings. The section headings used herein are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Assignment Agreement.

(b) Governing Law; Jurisdiction. This Assignment Agreement shall be construed, performed and enforced in accordance with, and governed by, the Laws of the State of California (without giving effect to the principles of conflicts of law thereof), except to the extent that the Laws of such State are superseded by the Bankruptcy Code or other applicable federal Law. For so long as Assignor is subject to the jurisdiction of the Bankruptcy Court, the parties irrevocably elect, as the sole judicial forum for the adjudication of any matters arising under or in connection with this Assignment Agreement, and consent to the exclusive jurisdiction of, the Bankruptcy Court. After Assignor is no longer subject to the jurisdiction of the Bankruptcy Court, the parties irrevocably elect, as the sole judicial forum for the adjudication of any matters arising under or in connection with this Assignment Agreement, and consent to the jurisdiction of, any state or federal court having competent jurisdiction in the State of Delaware.

(c) Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY LITIGATION, ACTION, PROCEEDING, CROSS-CLAIM, OR COUNTERCLAIM IN ANY COURT (WHETHER BASED ON CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF, RELATING TO OR IN CONNECTION WITH (i) THIS ASSIGNMENT AGREEMENT OR THE VALIDITY, PERFORMANCE, INTERPRETATION, COLLECTION OR ENFORCEMENT HEREOF OR (ii) THE ACTIONS OF SUCH PARTY IN THE NEGOTIATION, AUTHORIZATION, EXECUTION, DELIVERY, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT HEREOF. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO THIS ASSIGNMENT AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN THEIR RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH LEGAL COUNSEL OF ITS OWN CHOOSING, OR HAS HAD AN OPPORTUNITY TO DO SO, AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS, HAVING HAD THE OPPORTUNITY TO CONSULT WITH LEGAL COUNSEL.

THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS, OR MODIFICATIONS TO THIS ASSIGNMENT AGREEMENT. IN THE EVENT OF LITIGATION, THIS PROVISION

MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT WITHOUT A JURY.

(d) Binding Effect; Third Party Beneficiaries. This Assignment Agreement shall be binding upon and shall inure to the benefit of the parties and their successors and, if applicable, permitted assigns (including any trustee appointed in the Bankruptcy Case or subsequent Chapter 7 case). Assignors intend that this Assignment Agreement shall not benefit or create any right or cause of action in any person other than the Assignors or Assignee.

(e) Electronic Delivery; Counterparts. This Assignment Agreement and any signed agreement or instrument entered into in connection with this Assignment Agreement, and any amendments hereto or thereto, may be executed in one or more counterparts, all of which shall constitute one and the same instrument. Any such counterpart, to the extent delivered by means of a facsimile machine or by .pdf, .tif, .gif, .peg or similar attachment to electronic mail (any such delivery, an “**Electronic Delivery**”), shall be treated for all manners and in all respects as an original executed counterpart and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto, each other party hereto or thereto shall re-execute the original form of this Assignment Agreement and deliver such form to all other parties. No party hereto shall raise the use of Electronic Delivery to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of Electronic Delivery as a defense to the formation of a contract, and each such party forever waives any such defense, except to the extent such defense relates to lack of authenticity.

(f) Amendments. This Assignment Agreement may be amended, modified or waived only by a written agreement signed by the Assignors and the Assignee. With regard to any power, remedy or right provided in this Assignment Agreement or otherwise available to the Assignor or Assignee, (i) no waiver or extension of time shall be effective unless expressly contained in a writing signed by the waiving party, (ii) no alteration, modification or impairment shall be implied by reason of any previous waiver, extension of time, delay or omission in exercise or other indulgence, and (iii) waiver by any party of the time for performance of any act or condition hereunder does not constitute a waiver of the act or condition itself.

[Signatures on the following page]

IN WITNESS WHEREOF, the parties hereto have executed this Assignment and Assumption Agreement as of the date first above written.

ASSIGNORS:

Colorep, Inc.

By: _____
Name:
Title:

Transprint USA, Inc.

By: _____
Name:
Title:

Beta Color, LLC

By: _____
Name:
Title:

ASSIGNEE:

AirDye Solutions, LLC

By: _____
Name:
Title:

EXHIBIT B

Form of Bill of Sale

THIS BILL OF SALE (this "Bill of Sale") is dated this ___ day of October 2013, by Colorep, Inc., a California corporation, Transprint USA, Inc., a Virginia corporation and a wholly owned subsidiary of Colorep, Inc., and Beta Color, LLC, a California limited liability company and a wholly owned subsidiary of Colorep (each, a "Seller" and, collectively, the "Sellers"). Capitalized terms used but not defined herein shall have the meanings set forth in the Asset Purchase Agreement (the "Agreement"), dated as of October __, 2013, by and between Sellers and the Purchasers named therein.

WITNESSETH:

WHEREAS, the Agreement provides for, among other things, the transfer and sale by Sellers to Purchaser Assignee (as "Purchaser" under the Agreement) of the Acquired Assets, for consideration in the amount and on the terms and conditions provided therein; and

WHEREAS, the parties now desire to carry out, in part, the intent and purpose of the Agreement by execution and delivery of this Bill of Sale evidencing the vesting in Purchaser of certain of the Acquired Assets.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged:

1. Pursuant to the terms and conditions set forth in the Agreement, each Seller does hereby grant, bargain, sell, assign, set over, convey and transfer (collectively, "Transfer") to Purchaser Assignee, and Purchaser Assignee hereby purchases from the applicable Seller, all of such Seller's right, title and interest in and to the Acquired Assets. Each Debtor Transfers the Acquired Assets to the Purchaser Assignee free and clear of any Liens or rights or claims of others, other than Assumed Liabilities and Permitted Liens.

2. This Bill of Sale shall not constitute an assignment of any Acquired Asset or right that is included in the Acquired Assets but is not assignable or transferable without the consent of any person, other than Purchaser or any of its affiliates, or for which assignment without such consent would constitute a breach or in any way adversely affect the rights of Purchaser Assignee thereunder, to the extent that such consent shall not have been obtained prior to the Closing; provided, that Sellers and Purchaser shall have the continuing obligation after the Closing, provided that Sellers have adequate funding and other resources with which to do, to use all reasonable efforts to endeavor to obtain all necessary consents to the assignment thereof and, upon obtaining the requisite third party consents thereto, such agreement, license or right, shall be transferred and assigned to Purchaser Assignee hereunder and pursuant to the Agreement.

3. Seller, for itself and its successors and assigns, does hereby covenant to Purchaser Assignee and its successors and assigns that it shall, from time to time, at the request of Purchaser Assignee, provided that Seller has adequate funding and other resources with which to

do so,, execute, acknowledge and deliver to Purchaser Assignee any and all further instruments, documents, endorsements, assignments, information, materials and other papers that may be reasonably required to transfer the Acquired Assets to Purchaser Assignee and to give full force and effect to the full intent and purposes of this Bill of Sale.

4. All of the terms and provisions of this Bill of Sale will be binding upon Sellers and their respective successors and assigns and will inure to the benefit of Purchaser Assignee and its successors and assigns.

5. The respective rights and obligations of Sellers and Purchaser Assignee with respect to the Acquired Assets conveyed hereby shall be governed by the Agreement and are subject to the covenants, representations, warranties and other provisions thereof. No provision in this Bill of Sale shall be deemed to enlarge, alter or amend the terms or provisions of the Agreement and, in the event of a conflict between this Bill of Sale and the Agreement, the parties agree that the Agreement shall control.

6. This Bill of Sale may be amended, supplemented or modified, and any provision hereof may be waived, only pursuant to a written instrument making specific reference hereto signed by Sellers and Purchaser Assignee.

7. Except as otherwise provided herein, all of the transactions provided for herein shall be effective as of 12:01 a.m. local time on the date hereof.

8. This Bill of Sale may be executed in any number of counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

9. This Bill of Sale, and the rights and obligations of the parties hereunder, shall be governed by and construed in accordance with the laws of the State of California applicable to contracts made and to be performed entirely within such state without regard to such state's principles of conflicts of laws.

IN WITNESS WHEREOF, each Seller has caused this Bill of Sale to be duly executed by its authorized officer as of the day and year first above written.

SELLERS:

Colorep, Inc.

By: _____
Name:
Title:

Transprint USA, Inc.

By: _____
Name:
Title:

Beta Color, LLC

By: _____
Name:
Title:

EXHIBIT C

Form of Patent Assignment

This PATENT ASSIGNMENT (this “**Assignment**”) is made and entered into as of _____ 2013, by and between [Colorep, Inc.][Transprint USA, Inc.][Beta Color, LLC] (the “**Assignor**”), and AirDye Solutions, LLC (“**Assignee**”), as Purchaser Assignee and a Purchaser pursuant to that certain Asset Purchase Agreement (the “**Agreement**”), dated as of October __, 2013, by and among, Assignor and the other parties named therein. Capitalized terms used but not defined herein shall have the meanings set forth in the Agreement.

WHEREAS, this Assignment is contemplated pursuant to the terms of the Agreement;

WHEREAS, Assignor is the owner of the right, title, interest, benefits and privileges in and to patent-related intellectual property that constitutes a portion of the Acquired Assets, which patent-related intellectual property is listed in Exhibit A annexed hereto (the “**Patent-Related Intellectual Property**”);

WHEREAS, pursuant to the Agreement, Assignor wishes to assign to Assignee Assignor’s entire right, title, interest, benefits and privileges in and to the Patent-Related Intellectual Property; and

WHEREAS, Assignee is desirous of acquiring Assignor’s entire, right, title, interest, benefits and privileges in and to the Patent-Related Intellectual Property.

NOW, THEREFORE, for and in consideration of the premises of the mutual covenants contained herein, and in consideration of the sum of One Dollar (\$1.00) or the equivalent thereof, and other good and valuable consideration, the receipt, adequacy and legal sufficiency of which is hereby acknowledged, the Assignor and Assignee do hereby agree as follows:

1. Assignment. Assignor hereby sells, assigns, transfers and sets over to Assignee, its successors, assigns and legal representatives, Assignor’s entire right, title, interest, benefits and privileges in and throughout the United States of America (including its territories and dependencies) and all countries and jurisdictions foreign thereto in and to said Patent-Related Intellectual Property, including, but not limited to, the associated improvements, letters patents and applications, including provisional, divisional, renewal, substitute, continuation, reexamination and reissue applications, based in whole or in part on said Patent-Related Intellectual Property or in whole or in part on said improvements to Patent-Related Intellectual Property, any foreign applications, including international and regional applications, based in whole or in part on any of the aforesaid Patent-Related Intellectual Property or in whole or in part on said improvements to Patent-Related Intellectual Property, and in and to any and all letters patents, including extensions thereof, of any country, that have been or may be granted on any of the aforesaid applications or on said improvements or any parts thereof.

2. Terms of the Agreement. The terms of the Agreement applicable to the Patent-Related Intellectual Property are incorporated herein by this reference. In the event of any conflict or

inconsistency between the terms of the Agreement and the terms hereof, the terms of the Agreement shall govern.

3. Further Actions. Assignor hereby covenants and agrees to execute and deliver, at the reasonable request of Assignee, at the sole cost of the Assignee, such further instruments of transfer and assignment and to take such other action as such Assignee may reasonably request to more effectively consummate the assignments contemplated by this Assignment. Assignor agrees, to do, upon Assignee's request, but without additional consideration to Assignor, provided that Assignor has adequate funding and other resources with which to do so., all acts reasonably serving to assure that the Patent-Related Intellectual Property shall be held and enjoyed by Assignee as fully and entirely as the same could have been held and enjoyed by Assignor if this assignment had not been made; and particularly to execute and deliver to Assignee, at the sole cost of the Assignee, all lawful documents including petitions, specifications, oaths, assignments, disclaimers, and affidavits in form and substance as may be requested by Assignee to effectuate the assignments contemplated by this Assignment and, with respect thereto, to furnish Assignee with any and all associated documents, photographs, models, samples, and other physical exhibits in Assignor's control or in the control of Assignor's legal representatives, officers, agents, parent corporations, or subsidiary corporations which may be useful for establishing the facts of any conception, disclosure, and/or reduction to practice of the Patent-Related Intellectual Property.

4. Miscellaneous.

(a) Headings. The section headings used herein are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Assignment.

(b) Governing Law; Jurisdiction. This Assignment shall be construed, performed and enforced in accordance with, and governed by, the Laws of the State of California (without giving effect to the principles of conflicts of law thereof), except to the extent that the Laws of such State are superseded by the Bankruptcy Code or other applicable federal Law. For so long as Assignor is subject to the jurisdiction of the Bankruptcy Court, the parties irrevocably elect, as the sole judicial forum for the adjudication of any matters arising under or in connection with this Assignment, and consent to the exclusive jurisdiction of, the Bankruptcy Court. After Assignor is no longer subject to the jurisdiction of the Bankruptcy Court, the parties irrevocably elect, as the sole judicial forum for the adjudication of any matters arising under or in connection with this Assignment, and consent to the jurisdiction of, any state or federal court having competent jurisdiction in the State of Delaware.

ARTICLE 1 (c) Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY LITIGATION, ACTION, PROCEEDING, CROSS-CLAIM, OR COUNTERCLAIM IN ANY COURT (WHETHER BASED ON CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF, RELATING TO OR IN CONNECTION WITH (i) THIS ASSIGNMENT OR THE VALIDITY, PERFORMANCE, INTERPRETATION, COLLECTION OR ENFORCEMENT HEREOF OR (ii) THE ACTIONS OF SUCH PARTY IN THE NEGOTIATION, AUTHORIZATION, EXECUTION, DELIVERY, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT

HEREOF. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO THIS ASSIGNMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN THEIR RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH LEGAL COUNSEL OF ITS OWN CHOOSING, OR HAS HAD AN OPPORTUNITY TO DO SO, AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS, HAVING HAD THE OPPORTUNITY TO CONSULT WITH LEGAL COUNSEL.

ARTICLE 2 THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS, OR MODIFICATIONS TO THIS ASSIGNMENT. IN THE EVENT OF LITIGATION, THIS PROVISION MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT WITHOUT A JURY.

(d) Binding Effect; Third Party Beneficiaries. This Assignment shall be binding upon and shall inure to the benefit of the parties and their successors and, if applicable, permitted assigns (including any trustee appointed in the Bankruptcy Case or subsequent Chapter 7 case). Assignor intends that this Assignment shall not benefit or create any right or cause of action in any person other than the Assignor or Assignee..

(e) Electronic Delivery; Counterparts. This Assignment and any signed agreement or instrument entered into in connection with this Assignment, and any amendments hereto or thereto, may be executed in one or more counterparts, all of which shall constitute one and the same instrument. Any such counterpart, to the extent delivered by means of a facsimile machine or by .pdf, .tif, .gif, .peg or similar attachment to electronic mail (any such delivery, an “**Electronic Delivery**”), shall be treated for all manners and in all respects as an original executed counterpart and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto, each other party hereto or thereto shall re-execute the original form of this Assignment and deliver such form to all other parties. No party hereto shall raise the use of Electronic Delivery to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of Electronic Delivery as a defense to the formation of a contract, and each such party forever waives any such defense, except to the extent such defense relates to lack of authenticity.

(f) Amendments. This Assignment may be amended, modified or waived only by a written agreement signed by the Assignor and the Assignee. With regard to any power, remedy or right provided in this Assignment or otherwise available to the Assignor or Assignee, (i) no waiver or extension of time shall be effective unless expressly contained in a writing signed by the waiving party, (ii) no alteration, modification or impairment shall be implied by reason of any previous waiver, extension of time, delay or omission in exercise or other indulgence, and (iii) waiver by any party of the time for performance of any act or condition hereunder does not constitute a waiver of the act or condition itself.

[Signatures on the following page]

EXHIBIT A

Patent-Related Intellectual Property

Serial No.	Filing Date	Title

EXHIBIT D

Legal Description for Real Property

ALL that certain lot, piece or parcel of land situate on the east side of State Route 679, in Rockingham County, Virginia, being more particularly described as follows:

Beginning at an iron pipe, a comer with Packaging Corporation of America and being in the eastern right-of-way of State Route 679; thence, with the following two courses of Packaging Corporation, S 42° 43' E. 608.89 feet to an iron pipe; thence, S 71° 20' E. 328.52 feet to an iron pipe in the western line of the Chesapeake and Western Railroad; thence with said railroad S. 09° 02' W. 210.78 feet to an iron pipe, a comer with a 1.23 acre parcel; thence with said parcel, S. 44° 42' W. 341.38 feet to an iron pipe, a comer with said parcel and James Suter; thence, with said Suter S. 44° 58' W. 393.42 feet to a fence post in the eastern right-of-way of State Route 679; thence, with the following four courses of the eastern right-of-way of State Route 679, N. 30° 05' W. 75.18 feet to an iron pipe; thence N. 29° 00' W. 461.89 feet to the P.C. of a curve to the right having a radius of 559.77 feet; thence, with the arc of said curve 475.24 feet, chord, N. 04° 40' W. 461.09 feet to the P.T. of said curve; thence, N. 19° 39' E. 374.91 feet to the beginning, and enclosing an area of 13.60 acres.

AND BEING a portion of the same property conveyed to Storeys Transprints, Inc., now known as Transprint USA, Inc., a Virginia Corporation by Deed dated June 4, 1982 and recorded June 18, 1982 in Deed Book 654, at Page 671, among the land records of Rockingham County, Virginia.

EXHIBIT E

Form of Trademark Assignment

This TRADEMARK ASSIGNMENT (this “**Assignment**”) is made and entered into as of _____, 2013, by and between [Colorep, Inc.][Transprint USA, Inc.][Beta Color, LLC] (the “**Assignor**”), and AirDye Solutions, LLC (“**Assignee**”), as Purchaser Assignee and a Purchaser pursuant to that certain Asset Purchase Agreement (the “**Agreement**”), dated as of October __, 2013, by and among, Assignor and the other parties named therein. Capitalized terms used but not defined herein shall have the meanings set forth in the Agreement.

WHEREAS, this Assignment is contemplated pursuant to the terms of the Agreement;

WHEREAS, Assignor is the owner of the right, title, interest, benefits, privileges and goodwill in and to trademark-related intellectual property and goodwill of the business connected with the use of the trademark-related intellectual property that constitutes a portion of the Acquired Assets, which intellectual property is listed in Exhibit A annexed hereto (the “**Trademark-Related Intellectual Property**”);

WHEREAS, pursuant to the Agreement, Assignor wishes to assign to Assignee Assignor’s entire right, title, interest, benefits, privileges and goodwill in and to the Trademark-Related Intellectual Property; and

WHEREAS, Assignee is desirous of acquiring Assignor’s entire, right, title, interest, benefits and privileges and goodwill in and to the Trademark-Related Intellectual Property.

NOW, THEREFORE, for and in consideration of the premises of the mutual covenants contained herein, and in consideration of the sum of One Dollar (\$1.00) or the equivalent thereof, and other good and valuable consideration, the receipt, adequacy and legal sufficiency of which is hereby acknowledged, the Assignor and Assignee do hereby agree as follows:

1. Assignment. Assignor hereby sells, assigns, transfers and sets over to Assignee, its successors, assigns and legal representatives, Assignor’s entire right, title, interest, benefits, privileges and goodwill associated with and symbolized by the Trademark-Related Intellectual Property and goodwill of the business associated with the Trademark-Related Intellectual Property, including, but not limited to, the associated United States and foreign federal and state registered and common law trademarks, service marks and trade dress, registrations for trademarks, service marks and trade dress and applications for trademarks, service marks and trade dress, including international and regional applications, including, without limitation, the right to renew any registrations, the right to apply for trademark, service mark or trade dress registrations within or outside the United States based in whole or in part upon the trademarks, service marks and trade dress, and any priority right that may arise from the trademarks, service marks and trade dress.

2. Terms of the Agreement. The terms of the Agreement that are applicable to the Trademark-Related Intellectual Property are incorporated herein by this reference. In the event of any conflict or inconsistency between the terms of the Agreement and the terms hereof, the terms of the Agreement shall govern.

3. Further Actions. Assignor hereby covenants and agrees to execute and deliver, at the reasonable request of Assignee, at the sole cost of the Assignee, such further instruments of transfer and assignment and to take such other action as Assignee may reasonably request to more effectively consummate the assignments contemplated by this Assignment. Assignor agrees, to do, upon Assignee's reasonable request, but without additional consideration to Assignor, provided that Assignor has adequate funding and other resources with which to do so, all acts reasonably serving to assure that the Trademark-Related Intellectual Property shall be held and enjoyed by Assignee as fully and entirely as the same could have been held and enjoyed by Assignor if this assignment had not been made; and particularly to execute and deliver to Assignee, at the sole cost of the Assignee, all lawful documents including petitions, specifications, oaths, assignments, disclaimers, and affidavits in form and substance as may be reasonably requested by Assignee to effectuate the assignments contemplated by this Assignment.

4. Miscellaneous.

(a) Headings. The section headings used herein are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Assignment.

(b) Governing Law; Jurisdiction. This Assignment shall be construed, performed and enforced in accordance with, and governed by, the Laws of the State of California (without giving effect to the principles of conflicts of law thereof), except to the extent that the Laws of such State are superseded by the Bankruptcy Code or other applicable federal Law. For so long as Assignor is subject to the jurisdiction of the Bankruptcy Court, the parties irrevocably elect, as the sole judicial forum for the adjudication of any matters arising under or in connection with this Assignment, and consent to the exclusive jurisdiction of, the Bankruptcy Court. After Assignor is no longer subject to the jurisdiction of the Bankruptcy Court, the parties irrevocably elect, as the sole judicial forum for the adjudication of any matters arising under or in connection with this Assignment, and consent to the jurisdiction of, any state or federal court having competent jurisdiction in the State of Delaware.

ARTICLE 3 (c) Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY LITIGATION, ACTION, PROCEEDING, CROSS-CLAIM, OR COUNTERCLAIM IN ANY COURT (WHETHER BASED ON CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF, RELATING TO OR IN CONNECTION WITH (i) THIS ASSIGNMENT OR THE VALIDITY, PERFORMANCE, INTERPRETATION, COLLECTION OR ENFORCEMENT HEREOF OR (ii) THE ACTIONS OF SUCH PARTY IN THE NEGOTIATION, AUTHORIZATION, EXECUTION, DELIVERY, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT HEREOF. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO THIS ASSIGNMENT, AND THAT EACH

WILL CONTINUE TO RELY ON THIS WAIVER IN THEIR RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH LEGAL COUNSEL OF ITS OWN CHOOSING, OR HAS HAD AN OPPORTUNITY TO DO SO, AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS, HAVING HAD THE OPPORTUNITY TO CONSULT WITH LEGAL COUNSEL.

ARTICLE 4 THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS, OR MODIFICATIONS TO THIS ASSIGNMENT. IN THE EVENT OF LITIGATION, THIS PROVISION MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT WITHOUT A JURY.

(d) Binding Effect; Third Party Beneficiaries. This Assignment shall be binding upon and shall inure to the benefit of the parties and their successors and, if applicable, permitted assigns (including any trustee appointed in the Bankruptcy Case or subsequent Chapter 7 case). Assignor intends that this Assignment shall not benefit or create any right or cause of action in any person other than the Assignor or Assignee.

(e) Electronic Delivery; Counterparts. This Assignment and any signed agreement or instrument entered into in connection with this Assignment, and any amendments hereto or thereto, may be executed in one or more counterparts, all of which shall constitute one and the same instrument. Any such counterpart, to the extent delivered by means of a facsimile machine or by .pdf, .tif, .gif, .peg or similar attachment to electronic mail (any such delivery, an “**Electronic Delivery**”), shall be treated for all manners and in all respects as an original executed counterpart and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto, each other party hereto or thereto shall re-execute the original form of this Assignment and deliver such form to all other parties. No party hereto shall raise the use of Electronic Delivery to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of Electronic Delivery as a defense to the formation of a contract, and each such party forever waives any such defense, except to the extent such defense relates to lack of authenticity.

(f) Amendments. This Assignment may be amended, modified or waived only by a written agreement signed by the Assignor and the Assignee. With regard to any power, remedy or right provided in this Assignment or otherwise available to the Assignor or Assignee, (i) no waiver or extension of time shall be effective unless expressly contained in a writing signed by the waiving party, (ii) no alteration, modification or impairment shall be implied by reason of any previous waiver, extension of time, delay or omission in exercise or other indulgence, and (iii) waiver by any party of the time for performance of any act or condition hereunder does not constitute a waiver of the act or condition itself.

[Signatures on the following page]

EXHIBIT A

Trademark-Related Intellectual Property

Jurisdiction	Mark	Status

EXHIBIT F

Form of Deed

This instrument was prepared by:

Consideration \$_____

Tax Map No. _____

QUITCLAIM DEED

This Deed is made as of _____, 2013, by and between Transprint USA, Inc., a Virginia corporation, to be indexed as Grantor; and AirDye Solutions, LLC, a Delaware limited liability company, to be indexed as Grantee.

WITNESSETH:

That for and in consideration of the sum of Ten Dollars (\$10.00), cash in hand paid, and other good and valuable consideration, the receipt of which is hereby acknowledged, the Grantor does hereby release, remise and quitclaim, unto the Grantee, the following described property located in the County of Rockingham, Virginia:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

This conveyance is made subject to all easements, conditions and restrictions of record insofar as they may lawfully affect the Property hereby conveyed.

EXHIBIT "A" DESCRIPTION

ALL that certain lot, piece or parcel of land situate on the east side of State Route 679, in Rockingham County, Virginia, being more particularly described as follows:

Beginning at an iron pipe, a comer with Packaging Corporation of America and being in the eastern right-of-way of State Route 679; thence, with the following two courses of Packaging Corporation, S 42° 43' E. 608.89 feet to an iron pipe; thence, S 71° 20' E. 328.52 feet to an iron pipe in the western line of the Chesapeake and Western Railroad; thence with said railroad S. 09° 02' W. 210.78 feet to an iron pipe, a comer with a 1.23 acre parcel; thence with said parcel, S. 44° 42' W. 341.38 feet to an iron pipe, a comer with said parcel and James Suter; thence, with said Suter S. 44° 58' W. 393.42 feet to a fence post in the eastern right-of-way of State Route 679; thence, with the following four courses of the eastern right-of-way of State Route 679, N. 30° 05' W. 75.18 feet to an iron pipe; thence N. 29° 00' W. 461.89 feet to the P.C. of a curve to the right having a radius of 559.77 feet; thence, with the arc of said curve 475.24 feet, chord, N. 04° 40' W. 461.09 feet to the P.T. of said curve; thence, N. 19° 39' E. 374.91 feet to the beginning, and enclosing an area of 13.60 acres.

AND BEING a portion of the same property conveyed to Storeys Transprints, Inc., now known as Transprint USA, Inc., a Virginia Corporation by Deed dated June 4, 1982 and recorded June 18, 1982 in Deed Book 654, at Page 671, among the land records of Rockingham County, Virginia.

EXHIBIT G

[Deleted]

SCHEDULE 2.3(f)

Certain Assumed Liabilities

<u>Liability to be Assumed</u>	<u>Amount of Assumed Liability</u>	<u>Terms of Payment</u>	<u>Other Terms and Conditions</u>
Employee payroll incurred prior to the Petition Date with respect to Business Employees who become Transferred Employees (pursuant to Section 6.6 of the Agreement) up to the statutory cap set forth in 11 U.S.C. §507(a)(4)	Not to exceed \$345,032 in the aggregate	As to each Transferred Employee, Purchaser will pay 1/12 of the amount of his or her allowed 11 U.S.C. §507(a)(4) claim owed to such Transferred Employee on the last Business Day of each calendar month during the 12-month period following Closing, beginning with the calendar month ending November 30, 2013.	Each Transferred Employee shall be entitled to receive the foregoing monthly payments only if such Transferred Employee is employed by Purchaser, or an Affiliate of Purchaser, on and as of the last Business Day of each month during the payment period and provides a release in favor of the Debtors of such priority claims as a condition to receiving the payment of the such claim (in a form of release provided by the Debtors). Upon the termination of employment of any such Transferred Employee without cause, the remaining balance of such Transferred Employee's claim shall be accelerated and paid in full upon such termination. Upon the termination for cause of any such Transferred Employee, or upon the voluntary separation of employment of any such Transferred Employee, no further monthly payments will be due or payable to such Transferred Employee and Purchaser will have no further obligation to such Transferred Employee or Sellers with respect to any such amounts.
All PTO Obligations incurred prior to the Petition Date and all PTO Obligations accrued after the Petition Date with respect to Business Employees who become Transferred Employees (as provided in Section 6.6 of the Agreement)	\$133,200 of value in the aggregate	Per Section 6.6 of the Agreement, Purchaser will assume this Assumed Liability on a non-cash basis only and will treat such liability only as a Non-Cash PTO Obligation. Such Non-Cash PTO Obligations will be assumed regardless of priority claim caps provided for under 11 U.S.C. §507(a)(4) and (5). To the extent any such PTO Obligations are or may be sought to be payable in cash, such PTO Obligations shall be Excluded Liabilities.	In addition, each Transferred Employee shall retain their seniority with respect to paid time off and other Purchaser benefit plans.
PTO Obligations incurred	\$28,000 of	At Closing, Purchaser will	

<u>Liability to be Assumed</u>	<u>Amount of Assumed Liability</u>	<u>Terms of Payment</u>	<u>Other Terms and Conditions</u>
<p>prior to the Petition Date and all PTO Obligations accrued after the Petition Date with respect to Business Employees who do not become Transferred Employees</p>	<p>value in the aggregate</p>	<p>assume the liability up to the stated amount.</p> <p>As to each such Business Employee, Purchaser will pay the amount of his or her claim in twelve equal monthly installments during the 12 months following Closing.</p>	
<p>All accruals, operating costs and expenses and accounts payable of a Debtor incurred in the ordinary course of business arising after the Petition Date and before Closing that remain unpaid as of the Closing Date.</p>	<p>Pursuant to a schedule to be mutually agreed upon by Purchaser and Sellers and attached to this Schedule 2.3(f) prior to execution. [NTD: Please provide.]</p>	<p>Payable following Closing at in the ordinary course of business of Purchaser.</p>	
<p>Priority wages incurred prior to the Petition Date with respect to Business Employees who do not become Transferred Employees) up to the statutory cap set forth in 11 U.S.C. §507(a)(4)</p>	<p>Not to exceed in the aggregate \$80,000</p>	<p>At Closing, Purchaser will assume in full the liability for such wages (up to the stated amount) on behalf of "potentially responsible parties."</p> <p>As to each such Business Employee, Purchaser will pay the amount of his or her claim in twelve equal monthly installments during the 12 months following Closing.</p>	<p>The assumption by Purchaser of this Assumed Liability shall be limited to payment, either directly to the Business Employees or to any governmental authority for their benefit, and to the following. Purchaser shall indemnify, defend and hold the "potentially responsible parties" harmless with respect to and to the extent of such Assumed Liability. Purchaser shall control (including on behalf of the "potentially responsible parties") the defense of any claims resulting in indemnification obligations hereunder (including the settlement of such claims) at its cost and with counsel of its choosing. Upon request by Purchaser, at Purchaser's expense, each "potentially responsible party" shall use commercially reasonable efforts to minimize any liability and, as requested by Purchaser, shall act in good faith in responding to, defending against, settling or otherwise dealing with such claims. Each "potentially responsible party" shall also cooperate in any such defense and give Purchaser other reasonable access to all information relevant thereto. No</p>

<u>Liability to be Assumed</u>	<u>Amount of Assumed Liability</u>	<u>Terms of Payment</u>	<u>Other Terms and Conditions</u>
			settlement of any claim for any such liability shall be made, or effective, without Purchaser's prior written consent.
Payroll taxes incurred prior to the Petition Date	\$190,198	At Closing, Purchaser will assume in full the liability for such taxes (up to the stated amount) on behalf of "potentially responsible parties."	The assumption by Purchaser of this Assumed Liability shall be subject to the following. Purchaser shall indemnify, defend and hold the "potentially responsible parties" harmless with respect to and to the extent of such Assumed Liability. Purchaser shall control (including on behalf of the "potentially responsible parties") the defense of any claims resulting in indemnification obligations hereunder (including the settlement of such claims) at its cost and with counsel of its choosing. Upon request by Purchaser, and at Purchaser's expense, each "potentially responsible party" shall use commercially reasonable efforts to minimize any liability for such taxes and, as requested by Purchaser, shall act in good faith in responding to, defending against, settling or otherwise dealing with such claims. Each "potentially responsible party" shall also cooperate in any such defense and give Purchaser reasonable access to all information relevant thereto. No settlement of any claim for any such liability shall be made, or effective, without Purchaser's prior written consent.
Professional Fees of (i) Stutman, Treister & Glatt (" STG "), and (ii) Executive Sounding Board Associates, Inc. (" ESBA ")	STG - \$210,000 ESBA - \$126,000	With respect to STG, Purchaser will pay \$85,000 at Closing and \$20,833.33 each month during the 6 months following Closing, with the first such installment payment to be made by November 30, 2013; provided that any retainer fees in excess of final fees shall be remitted to Purchaser. With respect to ESBA, Purchaser will pay \$46,000 in cash at Closing, and \$80,000 in cash in six monthly installments over a	

<u>Liability to be Assumed</u>	<u>Amount of Assumed Liability</u>	<u>Terms of Payment</u>	<u>Other Terms and Conditions</u>
		period of 6 months following Closing, with the first payment to be made by November 30, 2013; provided that any retainer fees in excess of final fees shall be remitted to Purchaser.	