

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:

GULF PACKAGING, INC.

Debtor.

Chapter 11

Case No. 15-15249

Honorable Pamela S. Hollis

ORDER (I) AUTHORIZING AND APPROVING ASSET PURCHASE AGREEMENT BY AND AMONG GULF ATLANTIC PACKAGING CORPORATION, AS BUYER, AND GULF PACKAGING, INC., AS SELLER; AND (II) AUTHORIZING SALE OF SALE ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES AND INTERESTS

This matter came to be heard upon the motion (the “Motion”) of Gulf Packaging, Inc., debtor and debtor in possession in the above-captioned case (the “Debtor” or “GPI”), for the entry of an order (a) authorizing and approving the Sale of certain of the Debtor’s inventory and various related parts and equipment (the “Sale Assets”), pursuant to that certain Asset Purchase Agreement attached hereto as Exhibit A (the “Purchase Agreement”) between the Debtor and Gulf Atlantic Packaging Corporation (“Buyer” or “GAPCO”), and (b) authorizing the sale of the Sale Assets (the “Sale”) free and clear of all liens, claims, encumbrances and interests (collectively, the “Liens”); and it appearing that the relief requested is in the best interests of the Debtor’s estate, its creditors and other parties in interest; and notice of the Motion having been adequate and appropriate under the circumstances; and, after due deliberation and sufficient cause appearing therefor, the Court finds and orders as set forth below. Capitalized terms used but not defined herein have the meanings ascribed to such terms in the Purchase Agreement.

THE COURT HEREBY FINDS THAT:

A. The Debtor filed a voluntary petition under Chapter 11 of the Bankruptcy Code on April 29, 2015, and since then has managed its assets as a debtor in possession.

B. This Court has jurisdiction to hear and determine the Motion pursuant to 28 U.S.C. §§ 157(b)(1) and 1334(a). The Motion presents a core proceeding pursuant to 28 U.S.C. §§ 157(b)(2)(A), (N) and (O). Venue is proper in this District and in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

C. The statutory bases for the relief requested in the Motion are Sections 105(a) and 363(b), (f) and (m) of the Bankruptcy Code and Bankruptcy Rules 2002(a)(2) and 6004(a), (b), (c), (e), (f) and (h).

D. The Sale Assets have been adequately marketed, and the Debtor provided adequate and reasonable notice of the Sale. The sale process was fair and reasonable and conducted in a non-collusive, good faith manner.

E. Actual written notice of the Motion and the hearing thereon, and a reasonable opportunity to object or be heard with respect to the Motion and the relief requested therein, was timely and proper, and has been afforded to all known interested entities, including, but not limited to, the following parties: (i) the U. S. Trustee; (ii) the Debtor's secured creditors; (iii) the Official Committee of Unsecured Creditors; and (iv) all parties who have filed appearances or requested notices through the Court's CM/ECF system.

F. The Purchase Agreement was not entered into, and neither the Debtor nor Buyer have proposed to consummate the sale, for the purpose of hindering, delaying or defrauding the Debtor's creditors.

G. Buyer is purchasing the Sale Assets in good faith and is a good faith purchaser within the meaning of Section 363(m) of the Bankruptcy Code. Buyer is entitled to the full

protections of Section 363(m) of the Bankruptcy Code, and has proceeded in good faith in all respects in connection with the Motion and the Sale in that, among, other things: (i) Buyer recognized and agreed that the Debtor was free to deal with any other party interested in acquiring the Sale Assets, (ii) all payments to be made by Buyer and other agreements or arrangements entered into by Buyer in connection with the Sale have been disclosed; (iii) Buyer has not violated Section 363(n) of the Bankruptcy Code by any action or inaction; (iv) the negotiation and execution of the Purchase Agreement was without collusion, at arms-length and in good faith in all respects; and (v) the existence of the relationship of and between Buyer's principals to and with the Debtor was disclosed in the Motion.

H. The Purchase Price constitutes reasonably equivalent value and fair and adequate consideration for the Sale Assets under the Bankruptcy Code and the laws of the United States, and will provide a greater recovery for the Debtor's estate than would be provided by any other reasonably available alternative, and the Debtor's determination to enter into the Purchase Agreement constitutes the valid and sound exercise of the Debtor's business judgment.

I. The Purchase Agreement represents a fair and reasonable offer to purchase the Sale Assets under the circumstances of this chapter 11 case.

J. Approval of the Motion and the Purchase Agreement and the consummation of the Sale contemplated thereby are in the best interests of the Debtor, its creditors, its estate and other parties in interest.

K. The Debtor has demonstrated compelling circumstances and a good, sufficient, and sound business purpose and justification for the Sale.

L. The Sale will not effectuate a *de facto* reorganization of the Debtor.

M. Buyer is not a mere continuation of the Debtor or its estate, and Buyer is not holding itself out to the public as a continuation of the Debtor.

N. The transfer of the Sale Assets to Buyer will be, as of the Closing Date, a legal, valid and effective transfer of such assets, and vests or will vest Buyer with all right, title and interest of the Debtor to the Sale Assets free and clear of all Liens arising or relating thereto any time prior to the Closing Date, except for any liabilities expressly assumed by Buyer under the Purchase Agreement.

O. Buyer would not have entered into the Purchase Agreement and would not consummate the transactions contemplated thereby if the Sale of the Sale Assets to Buyer were not free and clear of all Liens of any kind or nature whatsoever, or if Buyer would, or in the future could, be liable for any such Liens.

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

Q. To maximize the value of the Sale Assets and preserve the viability of the businesses to which the Sale Assets relate, it is essential that the Sale occur within the time

constraints set forth in the Purchase Agreement and the Motion. Time is of the essence in consummating the Sale.

R. Given all of the circumstances of this chapter 11 case and the adequacy and fair value of the purchase price under the Purchase Agreement, the Sale constitutes a reasonable and sound exercise of the Debtor's business judgment and should be approved.

S. The consummation of the Sale is legal, valid and properly authorized under all applicable provisions of the Bankruptcy Code, including, without limitation, Sections 105(a), 363(b), 363(f) and 363(m) of the Bankruptcy Code, and all of the applicable requirements of such sections have been complied with in respect of the Sale.

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

General Provisions

1. The relief requested in the Motion is granted and approved, notice of the Motion is reduced and limited to that given, and the Sale contemplated thereby and by the Purchase Agreement is approved as set forth in this Order.

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

3. All objections to the Motion or the relief requested therein that have not been withdrawn, waived or settled as announced to this Court at the Sale Hearing or by stipulation filed with this Court, including the Limited Objection of Harris County to Debtor's Motion for

Entry of an Order (I) Authorizing Sale of Certain Inventory Assets to Gulf Atlantic Packaging Corp. and (II) Reducing and Limiting Notice with Respect Thereto [Docket No. 181], and all reservations of rights included therein, are hereby overruled on the merits with prejudice, or such objections have been otherwise satisfied prior to the entry of this Order. Those parties who did not object or withdrew their objections to the Motion are deemed to have consented pursuant to section 363(1) of the Bankruptcy Code.

Approval of the Purchase Agreement

4. The Purchase Agreement and all other ancillary documents, and all of the terms and conditions thereof, are hereby approved.

5. Pursuant to Section 363(b) of the Bankruptcy Code, the Debtor is authorized, empowered, and directed to take any and all actions necessary or appropriate to (a) consummate the Sale pursuant to and in accordance with the terms and conditions of the Purchase Agreement, (b) close the Sale as contemplated in the Purchase Agreement and this Order, and (c) execute and deliver, perform under, consummate, implement and close fully the Sale as contemplated by the Purchase Agreement, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the Purchase Agreement and the Sale or as may be reasonably necessary or appropriate to the performance of the obligations as contemplated by the Purchase Agreement and such other ancillary documents.

6. This Order shall be binding in all respects upon the Debtor, its estate, all creditors, all holders of equity interests in the Debtor, all known holders of any claim(s) against the Debtor, any holders of Liens against or on all or any portion of the Sale Assets, Buyer and all successors and assigns of Buyer, and any trustee, if any, subsequently appointed in the Debtor's chapter 11 case or upon a conversion to chapter 7 under the Bankruptcy Code of the Debtor's case. This

Order and the Purchase Agreement shall inure to the benefit of the Debtor, its estate and creditors, Buyer and their respective successors and assigns.

Transfer of the Sale Assets

7. Pursuant to Sections 105(a), 363(b), and 363(f) of the Bankruptcy Code, the Debtor is authorized to transfer the Sale Assets on the Closing Date. Such Sale Assets shall be transferred to Buyer "as is, where is" to the extent provided in the Purchase Agreement upon and as of the Closing Date. The purchase and sale of the Sale Assets and the related transfer constitutes a legal, valid, binding and effective transfer of the Sale Assets and shall be free and clear of all Liens. Upon the closing of the Sale, Buyer shall take title to and possession of the Sale Assets. The transfer of title to the Sale Assets shall be free and clear of (a) any and all Liens, and (b) any and all claims including, without limitation, any and all claims pursuant to any successor or successor-in-interest liability theory. All Liens shall attach solely to the proceeds of the Sale with the same validity, priority, force and effect that they now have as against the Sale Assets, subject to any claims and defenses the Debtor and its estate may possess with respect thereto.

8. Except as specifically provided by the Purchase Agreement or this Order, all entities holding Liens or interests in or on any portion of the Sale Assets arising under or out of, in connection with or in any way relating to the Debtor, the Sale Assets, the operation of the Debtor's business prior to the Closing Date or the transfer of the Sale Assets to Buyer, are forever barred, estopped and permanently enjoined from asserting against Buyer or its successors or assigns, their property or the Sale Assets, any such Liens on the Sale Assets. On the Closing Date, each creditor is authorized and directed to execute such documents and take all other actions as may be necessary to release Liens on the Sale Assets, if any, as provided for herein, as such Liens may have been recorded or may otherwise exist. The transactions authorized herein

shall be of full force and effect, regardless of the Debtor's lack of good standing in any jurisdiction in which the Debtor is formed or authorized to transact business.

9. Upon consummation of the Sale, the Debtor is hereby authorized and directed, and Buyer is hereby authorized, to file termination statements or lien terminations in any required jurisdiction to remove any record, notice filing, or financing statement recorded to attach, perfect or otherwise notice any lien or encumbrance that is extinguished or otherwise released pursuant to this Order under Section 363 and the related provisions of the Bankruptcy Code. Notwithstanding the foregoing, the provisions of this Sale Order authorizing the transfer of the Sale Assets free and clear of all Liens shall be self-executing, and the Debtor, Buyer and creditors shall not be required to execute or file releases, termination statements, assignments, consents or other instruments in order for the provisions of this Sale Order to be effectuated, consummated and/or implemented.

10. All persons and entities that are in possession of some or all of the Sale Assets on the Closing Date are directed to surrender possession of such Sale Assets to Buyer or its assignee at the closing of the Sale, at no cost to Buyer.

11. A certified copy of this Order may be filed with the appropriate clerk and/or recorded with the recorder to act to evidence the cancellation and release of any of the Liens of record.

12. This Order is and shall be binding upon and govern the acts of all entities who received notice of the Motion including, without limitation, all filing agents, filing officers, governmental departments, secretaries of state, federal and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, and each of the foregoing entities is hereby directed to accept for filing any and all a the documents and

instruments necessary and appropriate to consummate the transactions contemplated by the Purchase Agreement.

Other Provisions

13. Effective upon the Closing Date, all entities are forever prohibited and permanently enjoined from commencing or continuing in any manner any action or other proceeding, whether in law or equity, in any judicial, administrative, arbitral or other proceeding of any sort whatsoever, against Buyer, its successors and assigns, or the Sale Assets, with respect to any Liens arising under, out of, in connection with or in any way relating to the Debtor or the Sale Assets prior to the closing of the Sale.

14. Except as otherwise expressly set forth in this Order or the Purchase Agreement, Buyer shall not have any liability or other obligation of the Debtor arising under or related to any of the Sale Assets. Without limiting the generality of the foregoing, and except as otherwise specifically provided herein or in the Purchase Agreement, Buyer shall not be liable for any claims against the Debtor or any of its predecessors or affiliates.

15. Buyer shall not assume, nor be deemed to assume, or in any way be responsible for any liability or obligation of any of the Debtor and/or its estate including, but not limited to, any liability or responsibility for any claim against the Debtor or against an insider of the Debtor, or similar liability except as otherwise expressly provided in the Purchase Agreement. Buyer has given substantial consideration under the Purchase Agreement for the benefit of the holders of any Liens. The consideration given by Buyer shall constitute valid and valuable consideration for the releases of any potential claims of successor liability of Buyer, which releases shall be deemed to have been given in favor of Buyer by all holders of Liens.

16. Nothing contained in the Motion, the Purchase Agreement or this Order shall be deemed to prejudice the Committee's right to object to any claim filed by Buyer in respect of the

Additional Consideration in the event that the Purchase Agreement is terminated or this Order is terminated, vacated or otherwise reversed on appeal.

17. The Sale contemplated by the Purchase Agreement is undertaken by Buyer without collusion and in good faith, as that term is defined in Section 363(m) of the Bankruptcy Code, and accordingly, the reversal or modification on appeal of the authorization provided herein to consummate the Sale shall not affect the validity of the Sale unless such authorization and consummation of such Sale is duly stayed pending such appeal. Buyer is a good faith purchaser within the meaning of Section 363(m) of the Bankruptcy Code and, as such, is entitled to the full protections of Section 363(m) of the Bankruptcy Code.

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

19. Pursuant to Bankruptcy Rules 9014 and 6004(h), this Order shall be effective immediately upon entry and the Debtor and Buyer are authorized to close the Sale immediately upon entry of this Order.

20. There are no brokers involved in consummating the Sale and no brokers' commissions are due.

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

22. Nothing in this Order, or in any agreement approved by or entered into pursuant to this Order, (a) releases, nullifies, precludes, or enjoins the enforcement of any liability to a

governmental unit under police or regulatory statutes or regulations to which any entity would be subject as the owner or operator of property after the date of entry of this Order; or (b) authorizes the transfer to any entity of any licenses, permits, registrations or other governmental authorizations and approvals without such entity's compliance with all applicable legal requirements under non-bankruptcy law governing such transfers.

23. The provisions of this Order are non-severable and mutually dependent.

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

25. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

26. To the extent that this Order is inconsistent with any prior order or pleading with respect to the Motion in this chapter 11 case, the terms of this Order shall govern.

27. To the extent there are any inconsistencies between the terms of this Order and the Purchase Agreement (including all ancillary documents executed in connection therewith), the terms of this Order shall govern.

28. The Debtor is authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion. This Court shall retain jurisdiction to, among other things, interpret, implement and enforce the terms and provisions of this Order and the Purchase Agreement, all amendments thereto and any waivers and consents thereunder, and each of the agreements executed in connection therewith to which the Debtor is a party or which has been assigned by the Debtor to Buyer, and to adjudicate, if necessary, any and all disputes concerning or relating in any way to the Sale.

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

Dated: July __, 2015

JUL 30 2015



HONORABLE PAMELA S. HOLLIS
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

ASSET PURCHASE AGREEMENT

Dated as of July __, 2015

Between

GULF PACKAGING, INC.

and

GULF ATLANTIC PACKAGING CORP.

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I THE ASSET SALE	1
Section 1.01. The Asset Sale.	1
Section 1.02. Excluded Assets.	2
Section 1.03. Excluded Liabilities.	2
Section 1.04. Closing.	2
ARTICLE II THE PURCHASE PRICE	2
Section 2.01. Purchase Price.	2
Section 2.02. Transfer Taxes.	3
Section 2.03. Additional Consideration.	3
ARTICLE III REPRESENTATIONS AND WARRANTIES	3
Section 3.01. Representations and Warranties of the Debtor.	3
Section 3.02. Representations and Warranties of Buyer.	5
ARTICLE IV COVENANTS RELATING TO THE CONDUCT OF BUSINESS AND CLOSING	6
Section 4.01. Conduct of Business by the Debtor.	6
Section 4.02. Other Actions.	7
Section 4.03. Advice of Changes; Filings.	7
Section 4.04. Certain Bankruptcy Matters.	7
Section 4.05. Due Diligence.	8
ARTICLE V ADDITIONAL COVENANTS	8
Section 5.01. Access to Information; Confidentiality.	8
Section 5.02. Commercially Reasonable Efforts.	8
Section 5.03. Public Announcements.	9
Section 5.04. Fees and Expenses.	9
Section 5.05. Additional Agreements.	9
Section 5.06. Employee Matters.	9
Section 5.07. Handling of Excluded Inventory.	10
ARTICLE VI CONDITIONS PRECEDENT	10
Section 6.01. Conditions to Each Party's Obligation to Effect the Asset Sale.	10
Section 6.02. Conditions to the Obligations of Buyer.	11
Section 6.03. Conditions to the Obligations of the Debtor.	11

ARTICLE VII TERMINATION, AMENDMENT AND WAIVER	12
Section 7.01. Termination.....	12
Section 7.02. Effect of Termination.	13
Section 7.03. Amendment.....	13
Section 7.04. Extension; Waiver.	13
Section 7.05. Post-Closing Access to Books and Records.	14
ARTICLE VIII PROTECTION FOR BUYER ONLY IN EVENT THAT PRIVATE SALE IS NOT APPROVED	14
Section 8.01. Reimbursement for Additional Consideration.....	14
ARTICLE IX MISCELLANEOUS	14
Section 9.01. Notices.	14
Section 9.02. Definitions.	15
Section 9.03. Assignment.	17
Section 9.04. Entire Agreement; No Third-Party Beneficiaries.	17
Section 9.05. Confidentiality; Return of Information.....	17
Section 9.06. Release.	18
Section 9.07. Governing Law.	18
Section 9.08. Consent to Jurisdiction.	18
Section 9.09. Waiver of Jury Trial.....	18
Section 9.10. Interpretation.....	18
Section 9.11. Consents and Approvals.	19
Section 9.12. Counterparts.....	19
Section 9.13. Severability.	19
Section 9.14. Survival of Representations and Warranties.....	19

SCHEDULES

Schedule 2.01 Purchase Price

EXHIBITS

Exhibit A Sale Order

THIS ASSET PURCHASE AGREEMENT (this "Agreement"), dated as of July __, 2015, is entered into by and between the debtor and debtor in possession Gulf Packaging, Inc., a Texas corporation ("GPI" or the "Debtor"), and Gulf Atlantic Packaging Corp., a Georgia corporation (the "Buyer").

BACKGROUND

WHEREAS, the Debtor is a national distributor of packaging equipment, materials and supplies (collectively, "Packaging Materials");

WHEREAS, within three (3) business days of the full execution of this Agreement, or such later date that the Debtor and Buyer may mutually agree, the Debtor shall cause to be filed in the United States Bankruptcy Court for the Northern District of Illinois (the "Bankruptcy Court") the Sale Motion (as defined herein);

WHEREAS, the Debtor owns the Purchased Assets (as defined herein) and, upon the terms and conditions set forth in this Agreement and pursuant to Sections 363 of the Bankruptcy Code, the Debtor desires to transfer, sell, convey, assign and deliver to Buyer, and Buyer desires to purchase, acquire and accept, the Purchased Assets free and clear of all liens (statutory or otherwise), claims, Liabilities, pledges, assessments, charges, defects of title, encumbrances, adverse claims of ownership or use, restrictions on transfer, security interests or other encumbrances of any kind or nature whatsoever (collectively, "Liens");

NOW, THEREFORE, in consideration of the representations, warranties, covenants and agreements contained in this Agreement, and subject to the conditions set forth herein, the parties hereto agree as follows:

ARTICLE I

The Asset Sale

Section 1.01. The Asset Sale. (a) Pursuant to Section 363 of the Bankruptcy Code, subject to Bankruptcy Court approval of the Asset Sale and entry of the Sale Order, and upon the terms and subject to the conditions set forth in this Agreement, at the Closing the Debtor shall transfer, sell, convey, assign and deliver to Buyer, and Buyer shall purchase, acquire and accept from the Debtor, free and clear of all Liens, all of Debtor's right, title and interest in Debtor's inventory of Packaging Materials located at Debtor's Brownsville, Texas location and Debtor's Warehouse 300 located in Houston, TX (collectively, the "Purchased Assets"), for the Purchase Price. The purchase and sale of the Purchased Assets is referred to in this Agreement as the "Asset Sale".

(b) Some of the Packaging Materials included in the Purchased Assets are either labelled "Gulf Packaging" or are in boxes bearing the name "Gulf Packaging" (the "Branded Products"). Debtor hereby grants to Buyer the irrevocable, royalty-free, right and license to use the name "Gulf Packaging" solely for the purpose of selling the Branded Products and for no other purpose. Such right and license shall continue until all Branded Products are sold, at which time it shall automatically terminate and be of no further force and effect.

(c) The transfer, sale and conveyance of the Purchased Assets shall be effectuated by the execution and delivery at the Closing by the Debtor of one or more bills of sale (collectively, the "Bill of Sale"), together with any reasonably necessary transfer declarations or other filings, and such other instruments of transfer, conveyance and assignment as Buyer shall reasonably request to vest in Buyer good and valid title to the Purchased Assets, in form and substance as Buyer shall reasonably request, free and clear of all Liens (collectively with this Agreement and the Bill of Sale, the "Transaction Documents"). Pursuant to this Agreement, the Debtor will not sell to Buyer, and Buyer will not purchase from Debtor, any of the Excluded Assets (as defined herein).

Section 1.02. Excluded Assets. (a) Debtor's GSI parts inventory located in Warehouse 301 in Houston, Texas is excluded from the Asset Sale and shall hereinafter be referred to as the "Excluded Inventory."

(b) All other assets of the Debtor of every kind and nature, including without limitation the Excluded Inventory, are expressly excluded from this transaction and shall hereinafter be referred to as the "Excluded Assets."

Section 1.03. Excluded Liabilities. Notwithstanding any other provision of this Agreement to the contrary, Buyer shall not assume or otherwise be liable for any Liabilities of the Debtor of any kind or nature whatsoever, whether or not asserted, accrued, contingent, at law or in equity or otherwise (including any Liability based on successor liability theories), and whether or not scheduled or evidenced by a filed proof of claim or other form of writing evidencing such claim filed in Debtor's Chapter 11 case pending in the Bankruptcy Court (the "Bankruptcy Case"), secured, unsecured, priority or administrative (the "Excluded Liabilities").

Section 1.04. Closing. The closing of the Asset Sale (the "Closing") shall take place no later than 6:00pm Central Daylight Time on July 30, 2015, or such other date specified by the parties hereto, which shall be no later than the second business day after satisfaction or waiver of the conditions set forth in Article VI (other than those conditions that by their terms are to be satisfied at the Closing, but subject to the satisfaction or waiver of those conditions), and in all events no later than July 31, 2015, at the offices of FrankGecker, LLP, 325 N. LaSalle St. Suite 625, Chicago, IL 60654, unless another time, date or place is agreed to in writing by the Debtor and Buyer. The date on which the Closing occurs is referred to in this Agreement as the "Closing Date".

ARTICLE II

The Purchase Price

Section 2.01. Purchase Price. The Purchase Price shall consist of (i) Five Hundred Forty-Six Thousand Six Hundred Seventy Eight Dollars and Fifty-Seven Cents (\$546,678.57) payable as set forth below ("Cash Consideration") plus (ii) the additional costs paid or advanced by Buyer on behalf of Debtor and the Avoided Costs as identified on Schedule 2.01 attached hereto, in the total amount of Three Hundred Eighty-Six Thousand Five Hundred Seventy-Seven Dollars and Seventy-Six Cents (\$386,577.76) (the "Additional Consideration"). The total

Purchase Price, consisting of the Cash Consideration and the Additional Consideration, is Nine Hundred Thirty-Three Thousand Two Hundred Fifty-Six Dollars and Thirty-Three Cents (\$933,256.33). The Cash Consideration shall be paid: (a) fifty percent (50%) at Closing and (b) fifty percent (50%) not later than thirty (30) days after Closing.

Section 2.02. Transfer Taxes. All applicable transfer, documentary, sales, use, stamp, registration and other such taxes and fees (including any penalties and interest thereon) incurred in connection with the Asset Sale (collectively, "Transfer Taxes") shall be paid by Debtor when due, and shall, at its own expense, file all necessary tax returns and other documentation with respect to all such transfer, documentary, sales, use, stamp, registration and other taxes and fees, and if required by applicable law, the Buyer shall join in the execution of any such tax returns and other documentation.

Section 2.03. Additional Consideration. Buyer shall not have any Liability of any kind resulting from or relating to the services it paid for or provided to or for the benefit of Debtor as Additional Consideration. Buyer did not assume and is not responsible for any lease or employee of Debtor, or any other matter paid for or provided to or for the benefit of Debtor as Additional Consideration, all such Liability being an Excluded Liability or otherwise discharged in connection with the closing of the transactions contemplated hereby, and Buyer is not responsible to continue to provide the same or any similar services or payments going forward.

ARTICLE III

Representations and Warranties

Section 3.01. Representations and Warranties of the Debtor. The Debtor represents and warrants to Buyer as follows:

(a) Organization, Standing and Corporate Power. The Debtor has been duly organized, and is validly existing and in good standing under the laws of the State of Texas.

(b) Authority; Noncontravention. The Debtor has all requisite corporate power and authority to execute and deliver this Agreement and the other Transaction Documents and, subject to Bankruptcy Court approval, to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the other Transaction Documents by the Debtor, and, subject to Bankruptcy Court approval, the consummation by the Debtor of the transactions contemplated hereby and thereby, have been duly authorized by all necessary corporate action on the part of the Debtor, and no other corporate proceedings on the part of the Debtor is necessary to authorize this Agreement and the other Transaction Documents or to consummate the transactions contemplated hereby or thereby. This Agreement and the other Transaction Documents have been duly executed and delivered by the Debtor and, assuming the due authorization, execution and delivery by Buyer and subject only to Bankruptcy Court approval pursuant to the Sale Order, constitute legal, valid and binding obligations of the Debtor, enforceable against the Debtor in accordance with their terms. The execution and delivery of this Agreement and the other Transaction Documents by Debtor do not, and the consummation of the transactions contemplated hereby and thereby and compliance by Debtor

with the provisions of this Agreement and the other Transaction Documents will not, conflict with, or result in any violation or breach of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of, or result in, termination, right of first refusal, amendment, revocation, cancellation or acceleration of any obligation or to the loss of a benefit under, or result in the creation of any Liens in or upon any of the properties or other assets of the Debtor under, (y) the organizational documents of the Debtor, or (z) subject to the entry of the Sale Order, any (A) statute, law, ordinance, rule or regulation applicable to the Debtor or its properties or other assets or (B) order, writ, injunction, decree, judgment or stipulation, in each case applicable to the Debtor or its properties or other assets, other than, in the case of clause (z), any such conflicts, violations, breaches, defaults, rights, losses or Liens that individually or in the aggregate have not had and would not reasonably be expected to have a Material Adverse Effect. Except for the Sale Order, no material consent, approval, order or authorization of, action by or in respect of, or registration, declaration or filing with, any federal, state, local or foreign government, any court, administrative, regulatory or other governmental agency, commission or authority or any non-governmental self-regulatory agency, commission or authority (each, a "Governmental Entity") is required by or with respect to the Debtor in connection with the execution and delivery of this Agreement or any of the other Transaction Documents by the Debtor or the consummation by Debtor of the transactions contemplated hereby or thereby.

(c) Litigation. Except for the Bankruptcy Case there is no material Litigation pending or, to the Knowledge of the Debtor, threatened against or affecting the Debtor and any of the Purchased Assets, nor is there any material judgment, decree, injunction, rule or order of any Governmental Entity or arbitrator outstanding against, or investigation by any Governmental Entity involving, the Debtor and any of the Purchased Assets.

(d) Title to Purchased Assets. The Debtor has good and valid title to the Purchased Assets. At the Closing, all of the Purchased Assets shall be conveyed to Buyer free and clear of all Liens.

(e) Actions. There is no Action pending or, to the Knowledge of the Debtor, threatened, against the Debtor with respect to any Purchased Asset before any Governmental Entity that challenges the validity of this Agreement or any of the other Transaction Documents, or any action taken or proposed to be taken by the Debtor pursuant hereto or thereto or in connection with the transactions contemplated hereby or thereby.

(f) Broker's or Finder's Fees. The Debtor has not authorized any person to act as broker, finder, banker, consultant, intermediary or in any other similar capacity which would entitle such Person to any investment banking, brokerage, finder's or similar fee payable in connection with the transactions contemplated by this Agreement or any of the other Transaction Documents.

(g) Disclaimer of other Representations and Warranties. Except as expressly set forth in this Article III, the Debtor makes no representation or warranty, express or implied, at law or in equity, in respect of any of its assets (other than the Purchased Assets), liabilities or operations, including, without limitation, with respect to merchantability or fitness for any particular purpose, and any such other representations or warranties are hereby expressly disclaimed. Buyer hereby acknowledges and agrees that, except to the extent specifically set

forth in this Article III, Buyer is purchasing the Purchased Assets on an "as-is, where-is" basis, and is not relying on any other representation or warranties of Debtor. Without limiting the generality of the foregoing, the Debtor makes no representation or warranty regarding any assets other than the Purchased Assets, and none shall be implied at law or in equity.

Section 3.02. Representations and Warranties of Buyer. Buyer represents and warrants to the Debtor as follows:

(a) Organization, Standing and Corporate Power. Buyer is a corporation validly existing and in good standing under the laws of Georgia and has all requisite corporate power and authority to carry on its business as now being conducted.

(b) Authority; Noncontravention. Buyer has all requisite corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated by this Agreement. The execution and delivery of this Agreement and the other Transaction Documents and the consummation of the transactions contemplated by this Agreement and the other Transaction Documents have been duly authorized by all necessary corporate action on the part of Buyer, and no other corporate proceedings on the part of Buyer are necessary to authorize this Agreement or the other Transaction Documents or to consummate the transactions contemplated hereby or thereby. This Agreement and the other Transaction Documents have been duly executed and delivered by Buyer and, assuming the due authorization, execution and delivery by the Debtor and subject to the Sale Order, constitute the legal, valid and binding obligations of Buyer enforceable against Buyer in accordance with their terms, subject to bankruptcy, insolvency, moratorium, reorganization or similar laws affecting the rights of creditors generally and the availability of equitable remedies. The execution and delivery of this Agreement and the other Transaction Documents by Buyer do not, and the consummation of the transactions contemplated hereby and thereby and compliance by Buyer with the provisions of this Agreement and the other Transaction Documents will not, conflict with, or result in any violation or breach of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of, or result in, termination, cancellation or acceleration of any obligation or to the loss of a benefit under, or result in the creation of any Lien in or upon any of the properties or other assets of Buyer under (x) the organizational documents of Buyer, (y) any Contract to which Buyer is a party or any of its properties or other assets is subject, in any way that would prevent, materially impede or materially delay the consummation of the transactions contemplated hereby (including the payments required to be made pursuant to Article II) or (z) subject to the entry of the Sale Order, any (A) statute, law, ordinance, rule or regulation applicable to Buyer or its properties or other assets or (B) order, writ, injunction, decree, judgment or stipulation, in each case applicable to Buyer or its properties or other assets, and in each case, in any way that would prevent, materially impede or materially delay the consummation of the transactions contemplated hereby. No material consent, approval, order or authorization of, action by or in respect of, or registration, declaration or filing with, any Governmental Entity is required by or with respect to Buyer in connection with the execution and delivery of this Agreement or the other Transaction Documents by Buyer or the consummation by Buyer of the transactions contemplated hereby or thereby other than the entry of the Sale Order.

(c) Actions. There is no Action pending or, to the knowledge of Buyer, threatened, against Buyer or with respect to any Purchased Asset, before any Governmental Entity that challenges the validity of this Agreement or any of the other Transaction Documents, or any action taken or proposed to be taken by the Debtor pursuant hereto or thereto or in connection with the transactions contemplated hereby or thereby.

(d) Approvals. (i) Buyer recognizes and accepts that this Agreement and the Asset Sale is subject to approval of the United States Bankruptcy Court for the Northern District of Illinois. The Debtor covenants and agrees to promptly seek and use reasonable efforts to obtain such approval as soon as practicable following execution of this Agreement in accordance with the provisions of Section 4.04.

(ii) Except for the Sale Order, no material consent, approval, order or authorization of, action by or in respect of, or registration, declaration or filing with, any Governmental Entity is required by or with respect to Buyer in connection with the execution and delivery of this Agreement or any of the other Transaction Documents by Buyer or the consummation of the transactions contemplated hereby or thereby.

(e) Broker's or Finder's Fees. Buyer has not authorized any person to act as broker, finder, banker, consultant, intermediary or in any other similar capacity which would entitle such Person to any investment banking, brokerage, finder's or similar fee payable in connection with the transactions contemplated by this Agreement or any of the other Transaction Documents.

(f) Capital Resources. Buyer has available sufficient funding to enable Buyer to consummate the purchase of the Purchased Assets on the terms set forth in this Agreement and otherwise to perform all of Buyer's obligations under this Agreement.

ARTICLE IV

Covenants Relating to the Conduct of Business and Closing

Section 4.01. Conduct of Business by the Debtor. During the period from the date of this Agreement to the Closing, except as specifically permitted or provided by any other provision of this Agreement or as required by applicable statutes, laws, ordinances, rules, regulations, judgments, orders, writs, injunctions, stipulations and decrees of any Governmental Entity applicable to it, its properties or other assets or its business or operations (collectively, "Legal Provisions") or order of the Bankruptcy Court, the Debtor shall carry on its business in the manner it is conducted as of the date hereof and in compliance with all applicable Legal Provisions. Without limiting the generality of the foregoing, during the period from the date of this Agreement to the Closing, the Debtor agrees that, except for the transactions specifically permitted or provided by this Agreement or as required by applicable law, it shall not, without Buyer's prior written consent, sell, lease, or otherwise encumber or subject to any Lien or otherwise dispose of any of the Purchased Assets or any interests therein (including securitizations or factoring arrangements), except for sales of inventory in the ordinary course of business consistent with past practice.

Section 4.02. Other Actions. The parties shall use their respective commercially reasonable efforts to satisfy the conditions to the Asset Sale set forth in Article VI.

Section 4.03. Advice of Changes; Filings. The Debtor and Buyer shall promptly advise the other party orally and in writing of (i) any representation or warranty made by it contained in this Agreement or any of the other Transaction Documents that is qualified as to materiality or Material Adverse Effect becoming untrue or inaccurate in any respect or any such representation or warranty that is not so qualified becoming untrue or inaccurate in any material respect, (ii) the failure of it to comply with or satisfy in any material respect any covenant, condition or agreement to be complied with or satisfied by it under this Agreement or any of the other Transaction Documents or (iii) any material damage or material loss to any of the Purchased Assets; provided, however, that no such notification shall affect the representations, warranties, covenants or agreements of the parties (or remedies with respect thereto) or the conditions to the obligations of the parties under this Agreement or any of the other Transaction Documents; provided, however, that the failure to provide such notification shall not give rise to a failure of a condition set forth in Section 6.02(b) or 6.03(b) to the extent that (A) the failure of the applicable party to provide such notification was due to such party not having Knowledge of such breach or failure or not having Knowledge that notification of such breach or failure was required under the terms of this Agreement and (B) such breach or failure (and any recurrence thereof) shall have been cured on or prior to the Closing or no longer exists immediately prior to the Closing. The Debtor and Buyer shall, to the extent permitted by Legal Provisions, promptly provide the other with copies of all filings made by such party with any Governmental Entity in connection with this Agreement, the other Transaction Documents and the transactions contemplated hereby and thereby.

Section 4.04. Certain Bankruptcy Matters. (a) The Debtor shall file with the Bankruptcy Court, within three (3) business days after the full execution and delivery to the other party of this Agreement, a motion seeking (i) the approval of this Agreement and the other Transaction Documents, (ii) the approval of the transactions contemplated hereby and thereby, including the provisions of this Agreement to be performed by the Debtor prior to the Closing (including the provisions of this Article IV and Article V), and (iii) the approval of the timely performance by Buyer of its obligations hereunder, and (iv) a finding that Buyer is a good faith purchaser under Section 363(m) of the Bankruptcy Code (such motion, the "Sale Motion"), in form and substance reasonably satisfactory to Buyer, for approval by the Bankruptcy Court pursuant to the Sale Order. The Debtor shall attach a true and complete copy of this Agreement (including all schedules and exhibits thereto except for schedules and exhibits that contain information the disclosure of which is prohibited by law) to the Sale Motion, and the Sale Motion shall include a request for entry of the Bidding Procedures Order to the extent required.

(b) The Debtor shall file all pleadings with the Bankruptcy Court as are necessary or appropriate to secure entry of Sale Order, shall serve all parties entitled to notice of such pleadings under applicable provisions of the Bankruptcy Code and all related rules and shall diligently pursue the obtaining of such orders, all in accordance with this Section 4.04 herein. The Debtor shall oppose and seek the dismissal of any appeal (including a petition for certiorari, motion for rehearing, reargument, reconsideration or revocation) of the Sale Order that is filed. The Debtor shall provide Buyer at least three (3) days in advance of filing with the Bankruptcy Court, a draft of any motions, orders, amendments, supplements or other pleadings that the

Debtor proposes to file with the Bankruptcy Court seeking approval of this Agreement and the Transaction Documents, including motions to approve the Bidding Procedures Order (in the event that the Purchased Assets are required to be sold pursuant to a public sale or Auction, or otherwise subject to higher and better offers) and the Sale Order. The Debtor shall reasonably cooperate with Buyer with respect to all such filings and incorporate any reasonable comments of Buyer and its counsel into such order, amendment, supplement, motion or pleading. The Debtor shall diligently prosecute expedited approval of the Sale Order. Each party hereto shall promptly notify the other party if at any time before the Closing Date such party becomes aware that any information provided to the Bankruptcy Court contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

Section 4.05. Due Diligence. Buyer acknowledges that it has completed all due diligence regarding the Buyer and the Purchased Assets, and completion of the transactions hereunder shall not be contingent upon any further due diligence review.

ARTICLE V

Additional Covenants

Section 5.01. Access to Information; Confidentiality. The Debtor shall afford to Buyer and its representatives reasonable access to (i) subject to Section 4.04(b), copies of all pleadings, motions, applications and judicial information, in each case filed by or on behalf of the Debtor with the Bankruptcy Court or provided to any creditors' committee at the time such document is filed with the Bankruptcy Court or provided to such committee, (ii) a copy of each material correspondence or written communication with any Governmental Entity and (iii) all other material information concerning or relating to the Purchased Assets as Buyer may reasonably request. Buyer shall hold, and shall cause its representatives to hold, all information received from the Debtor, directly or indirectly, in confidence. No investigation pursuant to this Section 5.01 or information provided or received by any party hereto pursuant to this Agreement will affect any of the representations or warranties of the parties hereto contained in this Agreement or the conditions hereunder to the obligations of the parties hereto.

Section 5.02. Commercially Reasonable Efforts. Upon the terms and subject to the conditions set forth in this Agreement, including without limitations Sections 1.04 and 4.04, each of the parties hereto agrees to use its commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other parties in doing, all things necessary, proper or advisable to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement, including using commercially reasonable efforts to accomplish the following: (i) the taking of all acts necessary to cause the conditions to Closing to be satisfied as promptly as practicable, (ii) the obtaining of all necessary actions or nonactions, waivers, consents and approvals from Governmental Entities and the making of all necessary registrations and filings (including filings with Governmental Entities) and the taking of all steps as may be necessary to obtain an approval or waiver from, or to avoid an action or proceeding by, any Governmental Entity, (iii) the obtaining of all necessary consents, approvals or waivers from third parties; provided that neither

the Debtor nor Buyer shall be required to make any payment to any such third parties or concede anything of value to obtain such consents. The Debtor shall use reasonable efforts to obtain entry by the Bankruptcy Court of the Sale Order. Nothing in this Agreement shall be deemed to require Buyer to agree to, or proffer to, divest or hold separate any assets or any portion of any business of Buyer.

Section 5.03. Public Announcements. Notwithstanding anything herein to the contrary, no party shall make any press release or public announcement or communication concerning this Agreement or the transactions contemplated herein (including any formal statement or announcement to employees of the Debtor) without the prior written consent of the other party hereto (which consent shall not be unreasonably withheld or delayed); provided, however, that a party may make any such release, announcement or communication that is required by any applicable Legal Provision, an order of the Bankruptcy Court or the rules and regulations of each stock exchange upon which the securities of one of the parties is listed; provided further that if any such release, announcement or communication is so required, the disclosing party shall give the non-disclosing party, to the fullest extent permitted by applicable law, prior notice of, and an opportunity to comment on, the proposed disclosure. The parties acknowledge that the Debtor shall file this Agreement (including all schedules and exhibits thereto, except for schedules and exhibits that contain information the disclosure of which is prohibited by law) with the Bankruptcy Court in connection with the Sale Motion.

Section 5.04. Fees and Expenses. Except as provided in Section 7.03 and Section 7.04, all fees and expenses incurred in connection with this Agreement, the other Transaction Documents and the transactions contemplated hereby and thereby shall be paid by the party incurring such fees or expenses, whether or not the Asset Sale is consummated.

Section 5.05. Additional Agreements. In case at any time after the Closing any further action is necessary or desirable to carry out the purposes of this Agreement or to vest Buyer with full title to any Purchased Asset, each party to this Agreement shall use commercially reasonable efforts to take all such necessary action.

Section 5.06. Employee Matters.

(a) The sale contemplated hereunder does not contemplate, nor does it require, the retention or assumption by Buyer of any employee, employment agreement, or employee benefit plan associated with any employees of the Debtor or any previous employee of the Debtor. The Debtor shall be solely and exclusively responsible for all requirements and obligations of and for any and all liability under any local, state or federal law, regulation or statute which apply to its employees.

(b) Nothing expressed or implied in this Section will confer upon any employee of the Debtor or any legal representative of any such Person, any rights or remedies, including any right to employment or continued employment for any specified period, of any nature or kind whatsoever under or by reason of this Agreement or any right as a third party beneficiary of this Agreement.

(c) Notwithstanding any other provision of this Agreement to the contrary, from and after the Closing the Debtor shall retain all Liabilities with respect to (i) all Debtor Benefit Plans and (ii) all employment and employee-benefits related liabilities in connection with any current or former employee of the Debtor, and the Debtor shall indemnify and hold harmless Buyer and its Affiliates from and against all Liabilities described in the foregoing clauses (i) and (ii).

Section 5.07. Handling of Excluded Inventory. Promptly following the execution of this Agreement, Buyer will ship the Excluded Inventory to Buyer's new warehouse in Houston Texas. Upon request of Debtor, Buyer will ship the Excluded Inventory, in whole or in part, to a location designated by Debtor. The price for handling and shipment for all or any portion of the Excluded Inventory shall be as agreed upon by Buyer and Debtor prior to shipment. If on the three (3) month anniversary of the Closing Date Buyer remains in possession of any Excluded Inventory, Buyer may, in its sole discretion and at its sole expense, use or dispose of all Excluded Inventory as it sees fit. If the Closing does not occur for any reason, then the Debtor shall make immediate arrangements for the shipment of the Excluded Inventory to a location of Debtor's choice, at Debtor's expense. If the Closing does not occur for any reason, Buyer may give Debtor written notice to remove the Excluded Inventory from Buyer's premises. If Buyer remains in possession of any Excluded Inventory for fifteen (15) or more days after such written notice is given to Debtor, then Buyer may, in its sole discretion and at its sole expense, use or dispose of all Excluded Inventory as it sees fit.

ARTICLE VI

Conditions Precedent

Section 6.01. Conditions to Each Party's Obligation to Effect the Asset Sale. The respective obligations of each of the parties to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction or, to the extent permitted by law, waiver on or prior to the Closing Date of the following conditions:

(a) No Injunctions or Restraints. No temporary restraining order, preliminary or permanent injunction or other judgment or order issued by any court of competent jurisdiction or other statute, law, rule, legal restraint or prohibition (collectively, "Restraints") shall be in effect (i) enjoining, restraining, prohibiting or preventing the consummation of the Asset Sale or otherwise making the consummation of the Asset Sale illegal or (ii) which otherwise has had or would reasonably be expected to have a Material Adverse Effect.

(b) Sale Order. The Bankruptcy Court shall have entered the Sale Order, by no later than July 30, 2015. Notwithstanding the foregoing, nothing in this Agreement shall preclude Buyer from consummating the transactions contemplated herein if Buyer, in its sole and absolute discretion, waives the requirement that the Sale Order shall have become a Final Order. No notice of such waiver of this or any other condition to the Closing need be given except to the Debtor, it being the intention of the parties hereto that Buyer shall be entitled to, and is not waiving, the protections of Section 363(m) of the Bankruptcy Code, the mootness doctrine and any similar statute or body of law if the Closing occurs in the absence of the Sale Order being a Final Order.

Section 6.02. Conditions to the Obligations of Buyer. The obligations of Buyer to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction or, to the extent permitted by law, waiver by Buyer on or prior to the Closing of the following conditions:

(a) Representations and Warranties. The representations and warranties of the Debtor contained in this Agreement that are qualified as to materiality or Material Adverse Effect shall be true and correct, and the representations and warranties of the Debtor contained in this Agreement that are not so qualified shall be true and correct in all material respects, in each case as of the date of this Agreement and as of the Closing Date as though made on the Closing Date, except to the extent such representations and warranties expressly relate to an earlier date, in which case as of such earlier date. Buyer shall have received a certificate signed on behalf of the Debtor by the chief executive officer and the chief financial officer of the Debtor to such effect.

(b) Performance of Obligations of the Debtor. The Debtor shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date, including but not limited to the entry of the Sale Order no later than July 30, 2015, and Buyer shall have received a certificate signed on behalf of the Debtor by the chief executive officer and the chief financial officer of the Debtor to such effect.

(c) No Litigation. There shall not be pending or threatened any Litigation that could reasonably be expected to result in any Restraint having any of the effects set forth in Section 6.01(a).

(d) Restraints. No Restraint that would reasonably be expected to result, directly or indirectly, in (i) a prohibition of or material limitation on the acquisition, ownership or operation by Buyer or any of its Affiliates of any of the Purchased Assets, or a requirement that Buyer or any of its Affiliates divest or hold separate any of the Purchased Assets or any of the assets of Buyer or any of its Affiliates, in each case as a result of the transactions contemplated by this Agreement, (ii) a prohibition preventing Buyer or any of its Affiliates from effectively controlling in any material respect any of the Purchased Assets or (iii) a Material Adverse Effect shall be in effect.

(e) Consents. Buyer shall have received evidence, in form and substance reasonably satisfactory to it, that the Debtor shall have obtained all consents, approvals, authorizations, qualifications, waivers, orders and approvals of all Governmental Entities or third parties required in connection with this Agreement and for the consummation of the transactions contemplated by this Agreement.

(f) Bill of Sale. The Debtor shall have delivered to Buyer the Bill of Sale with respect to the Purchased Assets, duly executed by the Debtor.

Section 6.03. Conditions to the Obligations of the Debtor. The obligations of the Debtor to consummate the transactions contemplated by this Agreement shall be subject to the

satisfaction or, to the extent permitted by law, waiver by the Debtor on or prior to the Closing of the following conditions:

(a) Representations and Warranties. The representations and warranties of Buyer contained in this Agreement that are qualified as to materiality shall be true and correct, and the representations and warranties of Buyer contained in this Agreement that are not so qualified shall be true and correct in all material respects, in each case as of the date of this Agreement and as of the Closing Date as though made on the Closing Date, except to the extent such representations and warranties expressly relate to an earlier date, in which case as of such earlier date. The Debtor shall have received a certificate signed on behalf of Buyer by an executive officer of Buyer to such effect.

(b) Performance of Obligations of Buyer. Buyer shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date, and the Debtor shall have received a certificate signed on behalf of Buyer by an executive officer of Buyer to such effect.

ARTICLE VII

Termination, Amendment and Waiver

Section 7.01. Termination. This Agreement may be terminated, and the transactions contemplated hereby may be abandoned, at any time prior to the Closing:

- (a) by mutual written consent of the Debtor and Buyer;
- (b) by either Buyer or the Debtor, by giving written notice of such termination to the other party, if:
 - (i) the Sale Order has not been entered by the Bankruptcy Court on or before July 30, 2015;
 - (ii) the Closing shall not have occurred on or before July 31, 2015 (the “Outside Date”); provided, however, that the right to terminate this Agreement under Section 7.01(b)(i) shall not be available to any party whose breach of a representation or warranty in this Agreement or whose action or failure to act has been a principal cause or resulted in the failure of the Closing to occur on or before such date; provided further that, for purposes of this Section 7.01(b)(ii), any breach by the Debtor or any action or failure to act by the Debtor shall be deemed to be a breach, action or failure to act, as applicable, by the Debtor;
 - (iii) any Restraint having the effect set forth in Section 6.01(a) shall be in effect under a Final Order; or
 - (iv) the Bankruptcy Court approves any agreement for a transaction or series of related transactions pursuant to which all or substantially all of the Purchased Assets will be acquired by a purchaser other than Buyer (whether

pursuant to an asset sale, merger, stock purchase, a chapter 11 plan or otherwise) (an "Alternative Transaction").

(c) by Buyer, by giving written notice of such termination to the Debtor, if (i) the Sale Motion has not been filed within three (3) business days following the execution hereof, (ii) the Sale Order has not been entered on or before July 30, 2015, (iii) the Sale Order has not become a Final Order within 15 days after the date on which the Sale Order is entered, or (iv) on the conditions stated in section 6.02(i) above;

(d) by Buyer if the Debtor shall have breached or failed to perform any of its representations, warranties, covenants or agreements set forth in this Agreement, which breach or failure to perform (i) would give rise to the failure of a condition set forth in Sections 6.02(a) or 6.02(b) and (ii) is incapable of being cured by the Debtor by the Outside Date;

(e) by the Debtor if Buyer shall have breached or failed to perform any of its representations, warranties, covenants or agreements set forth in this Agreement, which breach or failure to perform (i) would give rise to the failure of a condition set forth in Sections 6.03(a) or 6.03(b) and (ii) is incapable of being cured by Buyer by the Outside Date; or

(f) by either Buyer or the Debtor, if (i) the Bankruptcy Case of the Debtor is converted to a case under chapter 7 of the Bankruptcy Code, or (ii) there is appointed in the Bankruptcy Case a trustee or examiner with enlarged powers under Section 1106(b) of the Bankruptcy Code on or before the Closing Date.

Section 7.02. Effect of Termination. In the event of the termination of this Agreement in accordance with Section 7.01 hereof, this Agreement shall thereafter become void and have no effect, without any liability or obligation on the part of any party hereto under this Agreement, except for the provisions of Section 5.03, this Section 7.02 and Article IX hereof, which provisions shall survive such termination, and except to the extent that such termination results from fraud or the material breach by a party of any of its representations, warranties, covenants or agreements set forth in this Agreement.

Section 7.03. Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

Section 7.04. Extension; Waiver. At any time prior to the Closing, the Debtor or Buyer may (a) extend the time for the performance of any of the obligations or other acts of the other party, (b) to the extent permitted by law, waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto, or (c) to the extent permitted by law, waive compliance with any of the agreements or conditions contained herein. Any agreement on the part of a party to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party. The failure of any party to this Agreement to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of such rights. Any extension or waiver pursuant to this Section 7.04, in any one or more instances, shall not be deemed to be nor construed as an extension or waiver of any other provision in this Agreement or in any document delivered pursuant hereto, nor shall such

extension or waiver be deemed to be nor construed as an extension or waiver of the same provision or of any other provision in the future.

Section 7.05. Post-Closing Access to Books and Records. After the Closing, Debtor agrees that, upon the request of Buyer it will provide prompt access to, or copies of any electronic or paper versions of the Books and Records relating to the Purchased Assets.

ARTICLE VIII

Protection for Buyer Only in Event That Private Sale is Not Approved

Section 8.01. Reimbursement for Additional Consideration. If this Agreement is terminated pursuant to Section 7.01 (including, but not limited to, failure of the Bankruptcy Court to approve the Asset Sale contemplated by this Agreement), the Buyer shall have an allowed claim in accordance with Section 503(b) of the Bankruptcy Code for all rent, labor and other expenses paid for or advanced by Buyer on behalf of Debtor and included in the Additional Consideration. This allowed claim shall be paid without any further Bankruptcy Court approval or order, as an administrative priority of the Debtor under Section 503(b)(1) of the Bankruptcy Code, within three (3) business days after the closing of the Alternative Transaction or twenty (20) days after the determination by the Bankruptcy Court that the Asset Sale is subject to bidding by third parties, whichever occurs first.

ARTICLE IX

Miscellaneous

Section 9.01. Notices. All notices or other communications hereunder shall be deemed to have been duly given and made if in writing and if served by personal delivery upon the party for whom such notice or communication is intended, if delivered by registered or certified mail, return receipt requested, or by a national courier service (providing proof of delivery), or if sent by facsimile or electronic mail, provided that the facsimile or electronic mail is promptly confirmed by telephone confirmation thereof or, in the case of electronic mail, by electronic return receipt providing proof of delivery, to the Person at the address set forth below, or such other address as may be designated in writing hereafter, in the same manner, by such Person:

To the Debtor:

Gulf Packaging, Inc.
1040 Maryland Avenue
Dolton, IL 60419
Attention: Ted Gavin, CRO
Email: ted.gavin@gavinsolmonese.com
Fax:

with a copy to:
Gray Reed & McGraw, P.C.
1601 Elm Street, Suite 4600
Dallas, TX 75201
Attention: Jason S. Brookner, Esq.
Email: jbrookner@grayreed.com

to Buyer:

Gulf Atlantic Packaging Corp.
1100 Westlake Parkway SW Suite 140
Atlanta, GA 30336-2909
Attn: Carol Atkinson, Vice President
Fax: 404 344-3232
Email: catkinson@gap-co.com
Attn: Don House, CFO
Fax:
Email: dhouse@gap-co.com

with a copy to:

Fox Rothschild LLP
75 Eisenhower Parkway
Roseland, NJ 07068
Attn: Richard M. Meth, Esq.
Email: rmeth@foxrothschild.com
Fax: 973 992 9125
Attn: Nancy McDonald, Esq.
Email: nmcdonald@foxrothschild.com
Fax: 973 992 9125

Section 9.02. Definitions. Capitalized terms which are defined herein shall have the meanings set forth herein. In addition, for purposes of this Agreement the following terms shall have the following meanings:

“Affiliate” of any Person means another Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or in under common control with, such first person.

“Action” means all suits, claims, actions, causes of action, arbitrations, investigations, demands or proceedings.

“Auction” means an auction of the assets of the Debtor conducted by the Debtor in accordance with Section 363 of the Bankruptcy Code and the Bidding Procedures, as may be modified by the Bidding Procedures Order.

“Contract” means any loan or credit agreement, bond, debenture, note, mortgage, indenture, lease, supply agreement, license agreement, development agreement, distribution agreement or other contract, agreement, obligation, commitment, arrangement, understanding, instrument, permit, franchise or license, whether oral or written, including all amendments thereto.

“Final Order” means an order, ruling, judgment, the operation or effect of a judgment or other decree issued and entered by the Bankruptcy Court or by any state, commonwealth or other federal court or other court of competent jurisdiction which has not been reversed, vacated, stayed, modified or amended and as to which (a) the time to appeal or petition for review, rehearing, certiorari, reargument or retrial has expired and as to which no appeal or petition for review, rehearing, certiorari, reargument or retrial is pending, or (b) any appeal or petition for review, rehearing, certiorari, reargument or retrial has been finally decided and no further appeal or petition for review, rehearing, certiorari, reargument or retrial can be taken on granted.

“Indebtedness” of any Person means (a) all obligations of such Person for borrowed money; (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments; (c) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person; and (d) all guarantees by such Person of Indebtedness of others.

“Knowledge” of any Person that is not an individual means, with respect to any matter in question, the actual knowledge of such person’s executive officers after making reasonable inquiry of the other executives and managers having primary responsibility for such matter, and in the case of the Debtor, shall be limited to the actual knowledge of Ted Gavin.

“Liability” means any claim (as defined in Section 101(5) of the Bankruptcy Code), indebtedness, Lien, expense, commitment, duties, responsibilities, assessments, penalties, obligation or other liability, whether or not absolute, accrued, matured, contingent, liquidated, known, suspected, fixed or otherwise, and including all costs and expenses related thereto.

“Material Adverse Effect” means any change, effect, event, occurrence, state of facts or development which individually or in the aggregate would reasonably be expected to result in any change or effect, that would reasonably be expected to prevent or materially

impede, interfere with, hinder or delay the consummation of the Asset Sale or any of the other transactions contemplated by the Transaction Documents;

“Person” means an individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization or other entity.

“Purchase Price” means the Cash Consideration plus the Additional Consideration.

“Sale Order” means an order of the Bankruptcy Court, in form and substance acceptable to Buyer in its sole and absolute discretion and substantially in the form attached hereto as Exhibit A.

Section 9.03. Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned, in whole or in part, by operation of law or otherwise by either of the parties hereto without the prior written consent of the other party, and any assignment without such consent shall be null and void, except that Buyer may without such consent assign any or all of its rights, interests and obligations under this Agreement to one or more of its Affiliates; provided, however, that no such assignment shall relieve Buyer of any of its obligations hereunder. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the parties hereto and their respective successors and assigns. Notwithstanding the foregoing, nothing in this Section 9.03 or elsewhere in this Agreement shall prohibit or limit the rights and license granted by Debtor to Buyer pursuant to Section 1.01(b) of this Agreement.

Section 9.04. Entire Agreement; No Third-Party Beneficiaries. This Agreement (including all Schedules and Exhibits hereto) and the other Transaction Documents (a) constitute the entire agreement, and supersede all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter of this Agreement and the other Transaction Documents and (b) are not intended to and do not confer upon any Person other than the parties hereto and their respective successors and assigns any legal or equitable rights or remedies. Any inconsistency or ambiguity between the terms of this Agreement and those of any other Transaction Document, on the one hand, and the Bidding Procedures Order or Sale Order, on the other hand, shall be governed by and construed to give effect to the Bidding Procedures Order or Sale Order, as applicable.

Section 9.05. Confidentiality; Return of Information. The Debtor shall keep confidential (i) all information that is known by the Debtor to be confidential information regarding Buyer, any of its Affiliates or any of its or their businesses, products, processes or financings, being provided to it in connection with this Agreement and the transactions contemplated hereby or by the Transaction Documents and (ii) after the Closing, all information relating to the Purchased Assets, except (A) as required by any Legal Provision, in which case notice of such disclosure shall be provided to Buyer prior to such disclosure or, if prior disclosure is not permitted by any Legal Provision, promptly following such disclosure or (B) for information that is available to the public on the Closing Date, or thereafter becomes available to the public other than as a result of a breach of this Section 8.05. The covenant of the Debtor set forth in the immediately preceding sentence shall terminate three years after the Closing Date.

Section 9.06. Release. Other than claims pursuant to or in connection with this Agreement, or any of the other Transaction Documents, effective as of the Closing, (a) the Debtor (for itself and on behalf of any Person claiming through or under it) hereby fully discharges and releases Buyer from any and all Liabilities, claims and causes of action arising from this transaction, and (b) Buyer (for itself and on behalf of any Person claiming through or under it) hereby fully discharges and releases the Debtor from any and all Liabilities and any and all claims and causes of action arising prior to the Closing Date, as well any and all Liabilities and any and all claims and causes of action related to any warranty claims resolved by and assigned to the Buyer, *provided, however*, that nothing in this Section 9.06 is intended to apply, nor shall it apply, to any of Buyer's principals, shareholders, officers and directors who are also currently, or have been at any time relative to a claim, principals, shareholders, officers or directors of the Debtor, and does not release any claims arising out of Chapter 5 of the Bankruptcy Code or any other claims not directly arising from this transaction.

Section 9.07. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the Bankruptcy Code and, to the extent not inconsistent with the Bankruptcy Code, the laws of the State of Texas, without regard to the conflicts of law rules of such State.

Section 9.08. Consent to Jurisdiction. During the pendency of the Bankruptcy Case, the parties hereto 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 exclusive jurisdiction of, the Bankruptcy Court. After the Debtor is no longer subject to the jurisdiction of the Bankruptcy Court, each of the parties hereto (a) consents to submit itself to the personal jurisdiction of any federal court located in the State of Texas, County of Harris, or of any state court located in the State of Texas, County of Harris in the event any dispute arises out of this Agreement or the transactions contemplated by this Agreement, (b) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court, and (c) agrees that it will not bring any action relating to this Agreement or the transactions contemplated by this Agreement in any court other than a federal court located in the State of Texas, County of Harris, or a state court located in the State of Texas, County of Harris.

Section 9.09. Waiver of Jury Trial. Each party hereto hereby waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or other proceeding arising out of this Agreement or the transactions contemplated hereby. Each party hereto (a) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such party would not, in the event of any suit, action or other proceeding, seek to enforce the foregoing waiver and (b) acknowledges that it and the other parties hereto have been induced to enter into this Agreement, by, among other things, the mutual waiver and certifications in this Section 8.10.

Section 9.10. Interpretation. When a reference is made in this Agreement to an Article, a Section, Exhibit or Schedule, such reference shall be to an Article of, a Section of, or an Exhibit or Schedule to, this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words

“without limitation”. The words “hereof”, “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. References to “this Agreement” shall include the Schedules hereto. All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant hereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such term. Any Contract or statute defined or referred to herein or in any Contract that is referred to herein means such Contract or statute as from time to time amended, modified or supplemented, including by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein. References to a Person are also to its permitted successors and assigns.

Section 9.11. Consents and Approvals. For any matter under this Agreement requiring the consent or approval of any party to be valid and binding on the parties hereto, such consent or approval must be in writing.

Section 9.12. Counterparts. This Agreement may be executed in one or more counterparts (including by facsimile), all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

Section 9.13. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible to the fullest extent permitted by applicable law in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible. Notwithstanding anything to the contrary set forth herein, the provisions hereof for entry of (a) an order of the Bankruptcy Court approving the Bidding Procedures and (b) an order of the Bankruptcy Court approving the Asset Sale and authorizing the Debtor to perform all its obligations hereunder, are not severable to the extent they are not substantially in the form of the Bidding Procedures Order and the Sale Order, respectively, and acceptable to Buyer in its sole and absolute discretion.

Section 9.14. Survival of Representations and Warranties. The representations and warranties contained in this Agreement shall not survive the Closing.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, the parties have executed or caused this Agreement to be executed as of the date first written above.

DEBTOR:
GULF PACKAGING, INC.

By: _____
Name:
Title:

BUYER:
GULF ATLANTIC PACKAGING CORP.

By: _____
Name:
Title: