

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF TENNESSEE
NASHVILLE DIVISION**

In re:)	
)	Chapter 11
ORECK CORPORATION, et al)	Case No. 13-04006
)	
565 Marriott Dr., Suite 300)	Judge Lundin
Nashville, TN 37214)	(Jointly Administered)
)	
Debtors.)	

**SUPPLEMENTAL NOTICE REGARDING COMPLETION OF
AUCTION AND CLARIFICATION OF MATTERS GOING FORWARD AT
SALE HEARING SCHEDULED FOR JULY 16, 2013 AT 9:00 A.M. (CT)**

As set forth in the Notice of Completion of Auction filed July 9, 2013 at Docket Number 508 (the "Auction Notice"), Royal Appliance Manufacturing Company and its affiliates (collectively, "Royal"), were determined to be the Successful Bidder at the auction held July 8, 2013 for the assets of the above-captioned debtors, debtors-in-possession and certain affiliates (collectively, the "Debtors"). A hearing to approve the results of the auction and the sale of certain of the Debtors' assets to Royal is currently scheduled for July 16, 2013 at 9:00 a.m. (CT) (the "Sale Hearing"). As a supplement to and clarification of the Auction Notice, the Debtors provide notice of the following:

1. **List of Contracts To Be Assumed and Assigned Referenced in Auction Notice is Incorrect.** Paragraph 2 of the Auction Notice references a list of "Assumable Executory Contracts" (the "Contract List") which included certain cure amounts. The Auction Notice incorrectly stated the Debtors would seek to assume and assign to Royal all of the executory contract and unexpired leases set forth on the Contract List at the Sale Hearing. As discussed

herein, Royal has not yet determined what contracts and leases it will seek to have assumed and assigned, and is not limited to those agreements listed on the Contracts List.

2. **Royal Has At Least 60 Days Post-Closing To Decide Whether To Assume or Reject Executory Contracts and Unexpired Leases.** Under the Royal APA, Royal has at least sixty (60) days from the date the sale closes to decide and direct the Debtors whether to seek the assumption and assignment or rejection of unexpired leases of non-residential real property (the “Leases”) and any executory contracts that are not unexpired non-residential real property leases (the “Executory Contracts”), including designating that the Debtors seek to assign Leases to third parties. As this deadline will extend beyond 120 days from the petition date, the Debtors will be filing a motion to extend for 90 days the deadline set forth in section 365(d)(4) of the Bankruptcy Code to assume or reject Leases.

3. **No Cure Objections Going Forward At Sale Hearing.** No objections to cure amounts for either Leases or Executory Contracts will go forward at the Sale Hearing. If Royal is unable to resolve a cure dispute with an objecting party, the matter will be scheduled for a future hearing before the Bankruptcy Court on at least five (5) business days’ notice to the objecting party.

4. **No Assignments of Unexpired Real Property Leases for the Debtors’ Retail Stores Will Go Forward At The Sale Hearing.** At the Sale Hearing, the Debtors will not be seeking the assumption and assignment to Royal of the Debtors’ unexpired non-residential real property leases for the Debtors’ retail stores (the “Store Leases”). Thus, Landlords need not file objections to Royal as a proposed assignee of the Store Leases. The Debtors and Royal plan to incorporate into the sale order procedures for any proposed assumption and assignment of the Stores Leases in the future following the Sale Hearing, including procedures for assignments

with the consent of the landlord (if applicable), and providing landlords with adequate assurance information for a proposed assignee and the opportunity to object prior to a hearing on the proposed assignment.

5. Again, the Court will hold a hearing on the Debtors' motion to approve the terms of the sale to Royal on July 16, 2013, commencing at 9:00 am, Courtroom Two, 701 Broadway, Nashville, TN 37203. Any objection to the sale must be filed with the Court and served pursuant to the Sales Procedure Order on or before noon, July 15, 2013 (central time).

Dated: July 12, 2013

Respectfully Submitted:

/s/ William L. Norton, III

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