



marks: Please record the attached

To the Honorable Assistant Secretary and original document(s) or copy(ies) thereof

102896122

1. Name of conveying party(ies):
PNC Bank, N.A.

Individual(s) Association

General Partnership Limited Partnership

Corporation

Other – National Association

Additional name(s) of conveying party(ies) attached? DEC 7 2004

Yes or No?

2. Name and address of receiving party(ies):
Name: Lantis Eyewear Corporation
Street Address 461 Fifth Avenue
New York, New York 10017

Individual(s) citizenship

Association

General Partnership

Limited Partnership

Corporation – New Jersey

Other

3. Nature of conveyance:

Assignment of Interest Merger

Security Agreement Change of Name

Release of security interest recorded at Reel/Frame Nos. 2877/0309 and 2943/0303 by way of Bankruptcy Court Order (See attached copy of order, page 10, paragraphs 5 & 6).
Execution Date: August 4, 2004

If assignee is not domiciled in the United States, a domestic Representative designation is attached: Yes or No? (Designations must be a separate document from Assignment)

Additional name(s) & address(es) attached? Yes or No?

4. Application number(s) or registration number(s): Attorney Docket No.: 16532.031200

A. Trademark Application No.(s): 78/221,323 B. Trademark Registration No.

Additional numbers attached? Yes or No?

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Greenberg Traurig, P.A. Attn: Manuel Valcarcel, Esq.

Internal Address: _____

Street Address: 1221 Brickell Avenue

City: Miami, State: Florida ZIP: 33131

6. Total number of applications and registrations involved: 1

7. Total fee (37 C.F.R. § 3.41).....\$40.00

Enclosed

Authorized any deficiency to be charged to deposit account

8. Deposit account Number: 50-1792

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and Signature.
To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Manuel R. Valcarcel, Esq. November 30, 2004

Name of Person Signing Signature Date

Total number of pages including cover sheet(s): 273

OMB No. 0651-0011 (exp. 4/94)

Do not detach this portion

Mail documents to be recorded with required cover sheet information:

12/07/2004 DBYRNE 00000019 78221323 **Mail Stop Assignment Recordation Services**

01 FC:8521 40.00 0P **Director of the United States Patent & Trademark Office**

P.O. Box 1450
Alexandria, VA 22313-1450

Public burden reporting for this sample cover sheet is estimated to average about 30 minutes per document to be recorded, including time for reviewing the document and gathering the data needed, and completing and reviewing the sample cover sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Office of Information Systems, PK2-1000C, Washington, D.C. 20231, and the Office of Management and Budget, Paperwork Reduction Project (0651-0011), Washington, D.C.

ASSIGNMENT, ASSUMPTION AND RELEASE AGREEMENT

This Assignment, Assumption and Release Agreement (this "Agreement"), dated July 20, 2004, is among HIG Recovery Fund II, Inc., a Delaware corporation, ("HIG" or "Tenant" as applicable), Lanis Eyewear Corporation, a Florida corporation (the "Debtor"), and 777 Sinatra Drive Corp. (the "Landlord"), a New Jersey corporation. Reference is made to that certain Lease between the Landlord and the Debtor dated June 14, 2000 (the "Lease") for the Premises (as defined in the Lease) occupied by the Debtor at 755 Secaucus Road in Secaucus, New Jersey.

The Debtor is a debtor operating under the protection of chapter 11 of Title 11 of the U.S. Code (the "Bankruptcy Code") in a case styled as *In re Lanis Eyewear Corporation Case No. 04-13589 (ALC)* in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). The Debtor has agreed to sell substantially all of its assets to HIG (the "Sale").

This Agreement sets forth the terms and conditions of a definitive assumption by, and assignment to, HIG of the Lease, subject to the following terms and conditions, and appropriate documentation in accordance with the terms of the Lease:

A. Debtor hereby assigns, conveys, sells, delivers and sets-over to HIG, all of Debtor's rights, title and interest in and to the Lease subject to the terms and conditions of this Agreement. The Landlord hereby acknowledges such assignment and assumption by HIG and agrees that HIG is a "Permitted Transferee" (as such term is defined in the Lease).

B. Notwithstanding anything to the contrary in the Lease, the Landlord and Debtor hereby agree that effective as of the closing of the Sale and Bankruptcy Court approval of this Agreement (the "Closing Date"):

1. HIG, as a Permitted Transferee, shall hereby become the Tenant under the Lease; and assume all of the obligations of the tenant under the Lease from and after the Closing Date; and
2. the Debtor and the Debtor's estate shall be released from all liabilities and obligations, whether past, present or future, under the Lease, except with respect to third party claims asserted against Debtor and/or Landlord arising out of or in any way related to Debtor's use, occupancy or lease of the Premises prior to the Closing Date; and
3. the Landlord shall hereby be released from all liabilities and obligations, whether past, present or future (other than claims for contribution, indemnification, or defense), with respect to Debtor and Debtor's use, occupancy and lease of the Premises; and
4. HIG agrees to accept the Premises in an "as is" condition and further agrees not to make any claims against Landlord or the Debtor, now or in the future, regarding the condition of the Premises.

Agreement to Assign and Assume Lease - 0000000000



C. Provided that the Debtor satisfies all Rent Obligations (as such term is defined in the Lease) through the Closing Date, the Landlord further agrees that it will not assert any claim whatsoever against the Debtor, its estate or any of its creditors (as it relates to the Debtor's use, occupancy or lease of the Premises), except with respect to claims not released hereunder for defense and/or indemnification related to third party claims referenced in Section B.2 above, if any.

D. The Landlord and the Debtor each hereby represent that, as of the date hereof, to the best of each party's knowledge, no third party claims arising out of the Lease or Debtor's use, occupancy or Lease of the Premises exist.

E. Prior to or on the Closing Date, the parties hereto agree to amend the Lease to provide that Tenant and Landlord shall mutually agree to terminate the Lease on March 31, 2005, if by December 31, 2004, HIG has not entered into a valid and binding assignment and assumption agreement (in a form satisfactory to Landlord) (the "HIG A&A") with a third party acceptable to Landlord to assume all obligations and liabilities of the Tenant under the Lease (an "Assignee") or, if by March 31, 2005, Landlord has not caused HIG to enter into a valid and binding assignment and assumption agreement (the "Landlord A&A") with an Assignee (pursuant to the terms set forth herein below). HIG, at its own expense, hereby agrees to promptly retain a real estate broker (the "Broker") reasonably acceptable to the Landlord to identify potential Assignees. HIG shall be responsible for any and all costs or commissions associated with the retention of and/or services rendered by the Broker. The Landlord shall not unreasonably withhold its approval of any Assignee procured by HIG and/or its real estate broker. Upon the identification of a mutually acceptable Assignee, the Landlord and HIG shall execute an appropriate assignment and assumption agreement with such Assignee on or prior to March 31, 2005. HIG shall promptly notify the Landlord of all prospective tenants who express a bona fide interest in the Lease or the Premises and for which a written letter of intent or term sheet has been prepared. HIG shall deliver copies of any such term sheets or letters of intent to Landlord. During the period between the execution of this Agreement and March 31, 2005, Landlord may enter into negotiations with prospective tenants for the Premises and enter into a binding agreement to lease the Premises to any such prospective tenant, provided, that (i) Landlord must give HIG reasonable notice of such negotiations, and (ii) Landlord may not enter into any binding agreement with such prospective tenant without HIG's prior written consent prior to January 1, 2005. Landlord shall have the right to enter into any binding agreement with a prospective tenant, in its sole and absolute discretion, without notice to HIG or HIG's prior written consent at any time on or after January 1, 2005.

F. Any Assignee which has entered into the assignment and assumption agreement as described in paragraph E above must replace or otherwise support any letters of credit currently provided by HIG or its affiliates (the "HIG L/Cs") in respect of the Lease on terms acceptable to Landlord; provided that if (i) no HIG A&A is executed prior to or on December 31, 2004, and (ii) as of March 31, 2005, Landlord has not executed a Landlord A&A or executed a binding lease agreement for the Premises with a third party, then HIG hereby agrees that the Landlord may draw on the HIG L/Cs in their entirety and HIG waives all claims, right, title and interest in and to the HIG L/Cs, and the amounts advanced thereunder. Notwithstanding the preceding sentence, to the extent a HIG A&A is executed, or to the extent a Landlord A&A is executed, or to the extent Landlord executes a "new" lease agreement with a third party with



Jul 22 04 01:17p

H.I.G. CAPITAL LLC

(415) 439-5525

07/22/2004 14:05

2125617560

STEVE CLARKE

07/22/2004 10:54 FAX 201 348 4358

HARTZ MOUNTAIN IND

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H.I.G. CAPITAL LLC

(415) 439-5525

07/22/2004 14:05 2125617560

STEVE CLARKE

P. 6

07/22/2004 10:54 FAX 201 348 4388

HARTZ MOUNTAIN IND

PAGE 06

P. 1

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and attested, all as of the date first above written.

LANTIS EYEWEAR CORPORATION

By: 

EVP, COO

HIGRECOVERY FUND INC.

By: 

777 SINATRA DRIVE CORP.

By: 

EVP, Administration
Lawrence Clark



EXHIBIT A page 1 of 4

SUNTRUST

IRREVOCABLE LETTER OF CREDIT FB43159 PAGE 1

LETTER OF CREDIT NUMBER: FB43159
ISSUANCE DATE: MAY 07, 2004

APPLICANT:
H.I.G. CAPITAL, LLC
1001 BRICKELL BAY DRIVE,
27TH FLOOR
MIAMI, FL 32131

BENEFICIARY:
777 SINATRA DRIVE CORPORATION
C/O HARTZ MOUNTAIN INDUSTRIES, INC.
400 PLAZA DRIVE
SECAUCUS, NJ 07094

FOR USD 1,256,250.00
(ONE MILLION TWO HUNDRED FIFTY SIX THOUSAND TWO HUNDRED FIFTY
00/100 U.S. DOLLARS)

DATE OF EXPIRATION: ~~DECEMBER 31, 2004~~ April 30, 2005
PLACE OF EXPIRATION: AT OUR COUNTERS

WE HEREBY ESTABLISH OUR IRREVOCABLE LETTER OF CREDIT NO. FB43159
IN YOUR FAVOR FOR ACCOUNT OF THE ABOVE-REFERENCED APPLICANT
AVAILABLE BY YOUR DRAFTS DRAWN ON US PAYABLE AT SIGHT FOR ANY
SUM OF MONEY NOT TO EXCEED A TOTAL OF THE AMOUNT REFERENCED
ABOVE WHEN ACCOMPANIED BY THIS LETTER OF CREDIT AND THE
FOLLOWING DOCUMENT:

BENEFICIARY'S DATED CERTIFICATE PURPORTEDLY SIGNED BY ONE OF ITS
OFFICIALS STATING: " THE DRAWER HEREUNDER IS ENTITLED TO DRAW
UPON THIS LETTER OF CREDIT PURSUANT TO THAT CERTAIN LEASE
AGREEMENT, DATED JUNE 14, 2000, BY AND BETWEEN 777 SINATRA DRIVE
CORPORATION, AS LANDLORD, AND LANTIS EYEWEAR CORPORATION AS
TENANT (THE "LEASE")" or

The Drawer hereunder
is entitled to draw
upon this letter
of credit pursuant
to that certain
Assignment,
Assumption &
Agreement, dated
July 2004,
by and among
777 Sinatra Drive
Corporation, Lantis
Eyewear Corporation
and HIG Recovery
Fund II, Inc.

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT SHALL BE
DEEMED AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR ONE YEAR
FROM THE EXPIRATION DATE HEREOF, OR ANY FUTURE EXPIRATION DATE,
UNLESS SIXTY (60) DAYS PRIOR TO ANY EXPIRATION DATE WE SEND
NOTICE TO YOU BY REGISTERED MAIL OR OVERNIGHT COURIER THAT WE
ELECT NOT TO CONSIDER THIS LETTER OF CREDIT RENEWED FOR ANY SUCH

and Release

CONTINUED ON NEXT PAGE



UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:

LANTIS EYEWEAR CORPORATION,

Debtor.

Chapter 11

Case No. 04-13589 (ALG)

**ORDER PURSUANT TO 11 U.S.C. §§ 105(a), 363, 365 AND 1146(c) AND
FED. R. BANKR. P. 2002, 6004 AND 6006 (A) APPROVING SALE OF
SUBSTANTIALLY ALL THE DEBTOR'S ASSETS, FREE AND CLEAR
OF ALL LIENS, CLAIMS AND ENCUMBRANCES TO HIG RECOVERY
FUND II, INC.; (B) AUTHORIZING THE SALE, ASSUMPTION AND
ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND
UNEXPIRED LEASES; (C) MAKING DETERMINATION OF CURE
AMOUNTS WITH RESPECT TO EXECUTORY CONTRACTS AND
UNEXPIRED LEASES; (D) APPROVING SETTLEMENT AND
COMPROMISES; AND (E) GRANTING RELATED RELIEF**

Upon the motion of Lantis Eyewear Corporation, the above-captioned debtor and debtor-in-possession ("Lantis" or the "Debtor"), dated May 25, 2004 (Docket No. 33) (the "Sale Motion"), seeking entry of an Order, pursuant to sections 105(a), 363, 365 and 1146(c) of title 11 of the United States Code, §§ 101 et seq. (the "Bankruptcy Code") and rules 2002, 6004 and 6006 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"): (a) approving that certain Amended and Restated Asset Purchase Agreement, dated as of May 25, 2004, as amended and restated as of July 29, 2004, between the Debtor and HIG Recovery Fund II, Inc., ("HIG" or the "Buyer," as applicable), a copy of which is annexed hereto as Exhibit A (the "Purchase Agreement"), (b) authorizing the Debtor to consummate a sale of the Acquired Assets,¹ free and clear of all liens, claims and encumbrances other than the liens created by the Buyer (collectively, "Liens"), with such liens to transfer, affix, and attach to the proceeds of such

¹ Unless otherwise stated, capitalized terms used but not defined herein shall have the meaning given in the Purchase Agreement.



sale, pursuant to the terms and conditions of (i) the Purchase Agreement, (ii) that certain Transition Services Agreement dated as of July 29, 2004, between the Debtor and HIG (as amended, supplemented or otherwise modified, the "Transition Services Agreement"), a copy of which is annexed hereto as Exhibit "B," and (iii) that certain Assignment, Assumption and Release Agreement dated July 20, 2004, between and among the Debtor, HIG, and 777 Sinatra Drive Corp. (as amended, supplemented or otherwise modified, the "Secaucus Assignment Agreement"), a copy of which is annexed hereto as Exhibit "C," all as more fully set forth in the Sale Motion, (c) authorizing the sale, assumption and assignment of certain executory contracts and unexpired leases in accordance with the terms of the Purchase Agreement (collectively, the "Assumed Executory Contracts") in connection with such sale, (d) making determinations of cure amounts with respect to the Assumed Executory Contracts, (e) approving settlement and compromises, and (f) granting related relief; and consideration of the Sale Motion, the relief requested therein, and the responses thereto, being a core proceeding in accordance with 28 U.S.C. § 157(b); and adequate notice of the Sale Motion having been given pursuant to Rule 2002(i) by service upon the United States Trustee, the Statutory Committee of Unsecured Creditors, the Debtor's twenty (20) largest creditors, all persons requesting notice pursuant to Rule 2002, all counterparties to the executory contracts to be assumed and assigned pursuant to the Sale Order as well as by publication in the National edition of The Wall Street Journal and the equity holders having had actual knowledge of the sale; and no further notice is required under the circumstances and the appearances of all interested parties and all responses and objections to the Sale Motion, if any, having been duly noted at the hearing on the Sale Motion held on July 15, 16 and 21, 2004 (the "Sale Hearing"); and upon the record of the Sale Hearing,



the Sale Motion, all responses and objections, and the testimony given at the Sale Hearing; and after due deliberation and sufficient cause appearing therefor, the Court hereby

FINDS AND DETERMINES² THAT:

A. 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.

B. Notice of the Sale Motion, the Auction, and the Sale Hearing has been given in accordance with Bankruptcy Rules 2002(i), 4001 and 6004 and 6006 and this Court's June 10, 2004, Order (A) Authorizing and Scheduling an Auction for the Sale of Substantially all of the Debtor's Assets Free and Clear of all Liens, Claims and Encumbrances; (B) Approving Bidding Procedures that will Govern the Sale; (C) Approving the Form and Manner of Notice of the Sale and (D) Fixing Procedures for Determination of Cure Amounts with Respect to Executory Contracts and Unexpired Leases (Docket No. 72) (the "Bidding Procedures Order") as amended by this Court during the Sale Hearing. Notwithstanding anything to the contrary contained in the Bidding Procedures Order, the foregoing notice was made in accordance with Bankruptcy Rule 2002(i) and was reasonably calculated to provide notice to all creditors of the Debtor, affected parties and to all prospective bidders and constitutes adequate notice of the Sale Motion and the Sale Hearing, and no other or further notice of the Sale Motion, the Sale Hearing or the entry of this Order (the "Sale Order") need be given.

C. A reasonable opportunity has been afforded any interested party to make a higher and better offer for the Acquired Assets.

² Findings of fact shall be construed as, and constitute, conclusions of law and conclusions of law shall be construed as, and constitute, findings of fact when appropriate. FED. R. BANKR. P. 7052. Statements made by the Court from the bench at the hearing shall constitute additional conclusions of law and findings of fact, as appropriate.



D. Exigent circumstances and sound business reasons exist for the Debtor's sale of the Acquired Assets pursuant to the Purchase Agreement. There is a need by the Debtor to consummate the sale as rapidly as possible. Among other things, the Debtor's continuing loss of cash and the need to sell the Debtor's business quickly to preserve employees' jobs and the value of the Debtor's business. Additionally, the Debtor is at risk of losing additional customers and employees if its business is not sold quickly. Entry into the Purchase Agreement and consummation of the transactions contemplated thereby constitute the exercise by the Debtor of sound business judgment and such acts are in the best interests of the Debtor, its estate and creditors.

E. The Purchase Agreement represents the highest and best offer received by the Debtor for the Acquired Assets, and the Buyer was determined by the Debtor to be the Successful Bidder (as defined in the Bidding Procedures Order). The Debtor complied with all provisions of the Bidding Procedures Order.

F. The sale consideration to be realized by the Debtor pursuant to the Purchase Agreement is fair and reasonable.

G. The transactions contemplated by the Purchase Agreement are undertaken by the Debtor and the Buyer at arm's length, without collusion and in good faith within the meaning of the Bankruptcy Code § 363(m), and such parties are entitled to the protections of Bankruptcy Code § 363(m).

H. The Transition Services Agreement and the Secaucus Assignment Agreement are an integral part of the sale and are fair and reasonable under the circumstances.



I. A sale of the Acquired Assets other than one free and clear of Liens would adversely affect the Debtor's estate and would be of substantially less benefit to the Debtor's estate.

J. The decision to sell, assume and assign each Assumed Executory Contract is based on the reasonable exercise of the Debtor's business judgment and is in the best interests of the Debtor's estate.

K. The Buyer has demonstrated adequate assurance of future performance with respect to each of the Assumed Executory Contracts.

L. The sale of the Acquired Assets is a prerequisite to the Debtor's ability to confirm and consummate a plan of liquidation. The sale contemplated under the Purchase Agreement is a sale in contemplation of and an integral part of such plan.

M. As of the Petition Date, the Debtor was liable to HIG Recovery in the approximate amount of \$99,100,000 including principal, interest, fees and costs (the "HIG Claim"). For purposes of HIG's ability to credit bid pursuant to Bankruptcy Code § 363(k), the HIG Claim is an allowed claim secured by a fully enforceable, non-avoidable, properly perfected security interest in substantially all of the Debtor's assets, including but not limited to the Acquired Assets, not subject to challenge in any respect by the Debtor, the Committee or any other party in interest.

N. The Debtor believes that the estate is and will continue to be administratively solvent.

O. Stuart Chizen will serve as a member of the Debtor's board of directors and the initial wind down officer and HIG has agreed to fund the wind down officer to the extent of \$100,000.



P. The Buyer is entitled to credit bid all or a portion of the HIG Claim at the Auction in accordance with Bankruptcy Code § 363(k).

Q. The Debtor and the Committee believe that the settlements and compromises provided under this Order (the "Settlement") are reasonable and in the best interests of the creditors of the Debtor's estate, the Debtor's estate and all other affected parties.

R. The Debtor, the Debtor's current officers and directors and the Committee have the authority to enter into the Settlement.

S. Pursuant to Rule 9019(a) of the Federal Rules of Bankruptcy Procedure and relevant legal authorities, the Settlement is fair and equitable and is above the lowest point in the range of reasonableness.

T. If the Settlement is not approved, the prospect of complex and protracted litigation exists against certain of the settling parties, the outcome of which is uncertain.

U. The benefits for the Debtor's estate and creditors of the Debtor's estate offered by the Settlement without the expense and delay of further litigation outweigh any potential benefits if the claims asserted in the objection are pursued and advances the orderly, economical and expeditious administration of this case.

V. The Debtor, the Committee, HIG, and the Debtor's current officers and directors all support the Settlement.

W. Competent and experienced counsel for proponents of the Settlement recommend its acceptance.

X. The nature and breadth of the releases to be effected pursuant to the Settlement are fair and reasonable and supported by the consideration to be paid or distributed under the Settlement.



Y. The Settlement is the product of arm's-length, non-collusive bargaining among the settling parties and has been reached in good faith and, when consummated in accordance with this Order and the Settlement, will have been consummated in good faith.

Z. The Equity Give-Up (as defined herein) does not constitute estate property under section 541 of the Bankruptcy Code and shall constitute a non-estate asset.

AA. All objections (including all of the objections of the Committee (the "Committee's Objections")) to the Sale Motion have been resolved to the satisfaction of this Court, the Debtor, the Committee, such objector and the Buyer, or have otherwise been overruled.

For all of the foregoing reasons and after due deliberation, the Court ORDERS, ADJUDGES, AND DECREES THAT:

1. The Sale Motion (as supplemented on the record), the Purchase Agreement, the Transition Services Agreement and the Secaucus Assignment Agreement, and the transactions contemplated thereby are hereby approved. In the event of a conflict between provisions of this Order and the Purchase Agreement, the Transition Services Agreement, the Secaucus Assignment Agreement and the Sale Motion, the provisions of this Order shall govern.

2. Pursuant to Bankruptcy Code § 363(b), the Debtor is authorized and directed to sell the Acquired Assets (including the Assumed Executory Contracts) to the Buyer upon the terms and subject to the conditions set forth in the Purchase Agreement and this Order, with such modifications as may be agreed to by HIG, the Debtor and Committee, which shall be filed with the Court and which are consistent



with this Order and the Purchase Agreement and do not materially adversely affect the Debtor or Debtor's estate.

3. The Buyer is hereby authorized to credit bid the HIG Claim pursuant to Bankruptcy Code § 363(k) in accordance with the Purchase Agreement. The Debtor and the Buyer are hereby authorized to take all actions and execute and deliver all documents, instruments and agreements (including but not limited to general releases of the Buyer) that the Debtor and the Buyer deem necessary or appropriate to implement and effect the transactions contemplated by the Purchase Agreement as such may be amended by the parties thereto with the consent of the Committee (provided that such modifications shall be filed with the Court and are consistent with this Order and the Purchase Agreement and do not materially adversely affect the Debtor or Debtor's estate), including but not limited to bills of sale, assignment documents, deeds and transition service agreements. Notwithstanding anything in the Purchase Agreement to the contrary, except as agreed to by the Buyer, the Debtor and Committee, the Closing Date shall occur no later than August 31, 2004 and the Termination Date (as defined in the Purchase Agreement) shall be September 2, 2004.

4. Pursuant to Bankruptcy Code § 363(f), the sale of the Acquired Assets to the Buyer shall be free and clear of all Liens (other than Liens created by the Buyer or Permitted Encumbrances (as defined in the Purchase Agreement)), with all such Liens to attach to the net proceeds of the Sale in the order of their priority, with the same force, validity and effect which they now have as against such Acquired Assets, subject to any claims or defenses the Debtor may possess, whether known or unknown, including, but not limited to, any of the Debtor's creditors, vendors,



suppliers, employees, executory contract counterparties, lessors, customers or users of goods manufactured or sold by the Debtor, and the Buyer shall not be liable in any way (under any theory of successor liability or otherwise) for any claims that any of the foregoing or any other third party may have against the Debtor by virtue of the purchase and sale provided for herein; provided further that, and except as expressly provided in the Purchase Agreement and this Order, the free and clear delivery of the Acquired Assets shall include, but not be limited to, all asserted or unasserted, known or unknown, employment related claims, payroll taxes, employee contracts, employee seniority accrued while employed with the Debtor and successor liability, with any and all valid and enforceable Liens thereon, including those asserted by any lender of the Debtor, transferred, affixed, and attached to the net proceeds of such sale, with the same validity, priority, force, and effect as such Liens had upon the Acquired Assets immediately prior to the Closing (as defined in the Purchase Agreement); provided, however, that the Acquired Assets are subject solely to the setoff and/or recoupment claims, whether accrued before or after the Petition Date, of Jones Retail Corporation and Jones Investment Co., Inc. (the "Jones Setoff Claims") and as specifically provided in the Purchase Agreement, and no other valid and enforceable setoff and/or recoupment rights of any creditor shall be adversely affected, except to the extent permitted by applicable law.

5. If any person or entity that has filed financing statements, mortgages, mechanic's liens, lis pendens, or other documents or agreements evidencing Claims (as defined in the Purchase Agreement) against or interests in the Debtor or the Acquired Assets that are junior or subject to the Liens of Buyer and shall not have



delivered to the Debtor prior to the Closing Date (as defined in the Purchase Agreement), in proper form for filing and executed by the appropriate parties, after due request therefor, termination statements, instruments of satisfaction, releases of all Claims or interests which the person or entity has with respect to the Debtor or the Acquired Assets or otherwise, then upon the Closing and simultaneously with receipt by the Debtor of the Purchase Price and Additional Cash Payment (as defined in the Purchase Agreement) and with the receipt by counsel for the Committee of the Equity Give-Up: (a) the Debtor is hereby authorized and directed to execute and file such statements, instruments, releases and other documents on behalf of the person or entity with respect to the Acquired Assets at no cost to the Debtor, and (b) the Buyer is hereby authorized to file, register, or otherwise record a certified copy of this Sale Order, which, once filed, registered, or otherwise recorded, shall constitute conclusive evidence of the release of all Claims against or interests in the Acquired Assets.

6. Effective as of the Closing, the sale of the Acquired Assets by the Debtor to the Buyer shall constitute a legal, valid, and effective transfer of the Acquired Assets and shall vest the Buyer with all right, title, and interest of the Debtor in and to the Acquired Assets free and clear of all Liens (other than the Jones Setoff Claims) pursuant to Bankruptcy Code § 363(f). Such transfer shall be deemed made by the Debtor "as is" and "where is" without representations or warranties, except as specifically set forth in the Purchase Agreement.

7. The sale of the Acquired Assets to the Buyer pursuant to the Purchase Agreement will constitute transfers for reasonably equivalent value and fair consideration under the Bankruptcy Code and the laws of all applicable jurisdictions,

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withdrawn, waived, or settled, they are, and all reservations and rights therein are, overruled and denied except to the extent set forth in this Sale Order.

11. The Buyer has not assumed or otherwise become obligated for any of the Debtor's liabilities other than as expressly set forth in the Purchase Agreement, the Transition Services Agreement and the Secaucus Assignment Agreement, and the Buyer has not purchased any of the Excluded Assets.

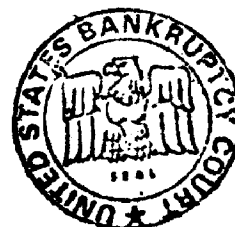
12. Subject to full payment of the Cure Amounts as hereinafter set

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13. At Closing or as soon as is practicable thereafter, the Buyer shall fund and/or pay to the counterparties, if any, to the Assumed Executory Contracts cure amounts ("Cure Amounts") in the amounts set forth on the schedule to the Cure Notice attached hereto as Exhibit D; provided, however, that (i) the "Cure Amount" with respect to the License Agreement, dated May 19, 1995, between Jones Investment Co., Inc. and the Debtor (as amended, the "Jones Agreement") shall include, in addition to the amounts set forth in Exhibit D, (a) such unpaid amounts as shall accrue under the Jones Agreement through the Closing Date, whether arising before or after the Petition Date; (b) interest on any payment made beyond its due date under the Jones Agreement; and (c) Jones' reasonable attorneys' fees and expenses not to exceed \$25,000 (collectively, with the amounts relating to the Jones Agreement set forth in Exhibit D, the "Jones Cure Amount"); (ii) the "Cure Amount" with respect to the Dualstar Contracts (as defined herein) shall include (a) all amounts then accrued under the Dualstar Contracts as of the Closing Date, whether or not such amounts are then payable, (b) interest at the rate of ten percent (10%) *per annum* on any amounts paid or payable to Dualstar after the date required for the payment thereof in accordance with the Dualstar Contracts until the Closing Date, and (c) all reasonable legal fees and expenses not to exceed \$40,000 incurred by Dualstar as a consequence of or in connection with (x) the Debtor's default under the Dualstar Contracts, (y) the chapter 11 case of Debtor, and (z) the Sale Motion (the "Dualstar Cure Amount"); (iii) the "Cure Amount" due to Levi Strauss & Company ("LS&CO") in connection with those agreements between LS&CO and the Debtor (the "LS&CO Agreements") shall include, in addition to the amounts set forth in Exhibit D, (a) such unpaid amounts as shall

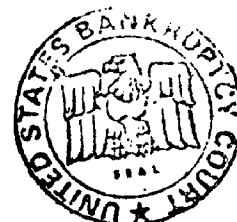


accrue under the LS&CO Agreements through the Closing Date, and (b) reasonable attorneys' fees and expenses not to exceed \$7,500 incurred by LS&CO as a consequence of or in connection with the chapter 11 case of Debtor (the "LS&CO Cure Amount"); and (iv) the "Cure Amount" due to AHG Licensing, Inc. ("AHG") pursuant to that certain License Agreement dated June 23, 2003, with the Debtor (the "AHG Agreement") shall include, in addition to the amounts set forth in Exhibit D, (a) such unpaid amounts as shall accrue under the AHG Agreement through the Closing Date, and (b) reasonable attorneys' fees and expenses not to exceed \$7,500 incurred by AHG as a consequence of or in connection with the chapter 11 case of Debtor (the "AHG Cure Amount") (the Jones Cure Amount, the Dualstar Cure Amount, the LS&CO Cure Amount and the AHG Cure Amount, together, the "Licensor Cure Amounts") (the Jones Agreement, the Dualstar Contracts, the LS&CO Agreements Cure and the AHG Agreement, together, the "Licensor Agreements"). The "Dualstar Contracts" are defined herein to mean each of those trademark licenses (the "Dualstar Contracts") granted to Debtor by Dualstar Entertainment Group LLC and Dualstar Consumer Products LLC (collectively, "Dualstar") identified on Exhibit E hereto. The Cure Amounts in Exhibit D and the Licensor Cure Amounts shall be deemed the entire cure obligation of the Debtor due and owing pursuant to Bankruptcy Code § 365(b) on the Closing Date. The Buyer shall fund and/or pay the Cure Amounts as provided under the Purchase Agreement and shall have no other liability for any amounts under any Assumed Executory Contract to the extent arising before the Closing Date, except as provided in the Purchase Agreement.



14. The Buyer shall assume the costs, obligations and liabilities of the Debtor arising from and after the Closing Date with respect to each Assumed Executory Contract and shall assume obligations accruing thereunder prior to the Closing only with respect to the Licensor Agreements and to the extent expressly provided for in the Purchase Agreement. Upon assumption and assignment of any Assumed Executory Contract, the Debtor and the Debtor's estate shall be relieved of any liability for breach of such Assumed Executory Contract occurring after such assignment pursuant to Bankruptcy Code § 365(k).

15. The Buyer has provided adequate assurance of its future performance under each Assumed Executory Contract and the proposed assumption and assignment of the Assumed Executory Contracts satisfies the requirements of the Bankruptcy Code including, inter alia, Bankruptcy Code §§ 365(b)(1) and (3) and 365(f) to the extent applicable; provided, however, notwithstanding the foregoing and paragraphs K and 12 hereof, the assumption and assignment of the Dualstar Contracts is approved on the condition that Buyer and Dualstar shall meet and confer with respect to the adequate assurance of future performance which Buyer intends to provide to Dualstar, and either (a) Dualstar expressly consents to such assumption and assignment, or (b) if Dualstar does not so consent, this Court, after an evidentiary hearing, authorizes such assumption and assignment, in which instance, all rights, claims and contentions of the parties are expressly reserved, including, but not limited to, the contention of Dualstar that in accordance with Section 365(c) of the Bankruptcy Code, the Dualstar Contracts are not subject to assumption and assignment.



16. The Assumed Executory Contracts are valid and binding, in full force and effect and, except as provided in this Sale Order, enforceable in accordance with their terms.

17. There shall be no rent accelerations, assignment fees, increases, or any other fees charged to the Buyer as a result of the sale and assignment of the Assumed Executory Contracts.

18. Any provision in any Assumed Executory Contract that purports to declare a breach or default as a result of a change of control in respect of the Debtor is unenforceable and all Assumed Executory Contracts shall remain in full force and effect. No sections or provisions of any Assumed Executory Contract that purports to (i) prohibit, restrict, or condition the Debtor's assignment of the Assumed Executory Contract; (ii) authorize the cancellation, termination or modification of any Assumed Executory Contract based on the filing of a bankruptcy case, the financial condition of the Debtor, or similar circumstances; or (iii) provide for additional payments, penalties, charges, or other financial accommodations in favor of the non-debtor third party to the Assumed Executory Contracts upon the occurrence of the conditions set forth in subsections (i) and (ii) above, shall have any force and effect with respect to the sale and assignment authorized by this Sale Order, and such provisions constitute unenforceable anti-assignment provisions under Bankruptcy Code § 365(f) and/or are otherwise unenforceable under Bankruptcy Code § 365(e).

19. Each Assumed Executory Contract is in full force and effect and, upon Closing in compliance with the terms and conditions of this Order, and except as provided for in the Purchase Agreement, no monetary or non-monetary default will



exist thereunder, or event or occurrence which would constitute a default with the passage of time, giving of notice, or both, with respect to any material term, condition, covenant, payment obligation or other obligations thereunder whether prepetition or postpetition in nature, other than any event of default existing as a result of the filing of this bankruptcy case and monetary cure amounts which shall be cured at the Closing.

20. The Cure Amounts (including, without limitation, the Jones Cure Amount), concerning the Assumed Executory Contracts, shall be in full and complete satisfaction of the Debtor's and Buyer's obligations existing as of the Closing or arising by reason of the Closing, including but not limited to any assignment fee, default, or breach under, or any claim or pecuniary loss, or condition to assignment, existing as of the Closing or such other date as to when such contract is assumed and assigned or arising under or related to Assumed Executory Contracts.

21. The Assumed Executory Contracts, upon sale and assignment to the Buyer, shall be deemed valid and binding, in full force and effect in accordance with their terms, subject to the provisions of this Sale Order and, pursuant to Bankruptcy Code § 365(k), the Debtor shall be relieved from any further liability, except for any cure obligations as herein provided.

22. Pursuant to Bankruptcy Code §§ 363(b), (f) and (m) and 365(a), (b) and (f), the assumption, assignment and sale to the Buyer of the Assumed Executory Contracts by the Debtor shall be effected by this Sale Order, effective as of Closing.

23. Immediately upon entry of this Sale Order, in connection with the New Jersey Facility, the Debtor, together with the Buyer, without cost to the Debtor, may disassemble and move all distribution-related equipment in the New Jersey Facility



which constitute Acquired Assets; provided, however, that until the Closing the Acquired Assets shall remain property of the Debtor and, if the Closing does not occur, the Acquired Assets shall be returned to the Debtor at the Buyer's sole expense.

24. The Assumed Executory Contracts, together with any amendments and modification of such Assumed Executory Contracts, constitute the Assumed Executory Contracts that are being assumed by and assigned to the Buyer by the Debtor.

25. Pursuant to the Purchase Agreement, the Buyer shall reallocate and share proceeds of the sale by paying \$2,000,000 in cash in respect of the Equity Give-Up to be held by counsel to the Committee in a segregated interest-bearing account or invested in treasury bills or other direct obligations of, or obligations guaranteed by, the United States of America, or a money market fund which invests primarily in direct obligations of the U.S. Treasury and securities issued or guaranteed by U.S. agencies or authorities. It is the intent of the parties that the Equity Give-Up will be held by counsel to the Committee in trust for and for the benefit of the Creditor Beneficiaries and that the Equity Give-Up will not be distributed except as provided by further Order of this Court or in a manner set forth in a liquidation trust agreement and/or plan of liquidation approved by this Court. The Equity Give-Up may be adjusted upwards in accordance with the Purchase Agreement. All interest and income received in respect of investments of the Equity Give-Up shall constitute part of the Equity Give-Up. Nothing herein shall prejudice the right of the Committee to argue that the Equity Give-Up was reallocated for the sole benefit of the Creditor Beneficiaries.

26. The term "Creditor Beneficiary" or "Creditor Beneficiaries" shall mean any holder of an allowed and timely filed prepetition non-priority general



unsecured Claim against the Debtor or Debtor's estate other than HIG, the officers and directors of the Debtor and any "insider" of the Debtor (as such term is defined in Bankruptcy Code § 101). The Creditor Beneficiaries shall be entitled to receive a *pro rata* share of the Equity Give-Up. "*Pro rata*" shall mean with reference to any distribution on account of the Equity Give-Up, the proportion of the allowed claims of such Creditor Beneficiary to the aggregate of all allowed claims of Creditor Beneficiaries plus any reserve for disputed claims or claims not yet allowed to this Chapter 11 case, as determined by the Committee. Up to \$175,000 of the Equity Give-Up may be used by the Committee or its designee to pay fees and expenses of professionals of the Committee or such designee with respect to services performed and related expenses with the maintenance, administration and distribution of the Equity Give-Up and any costs related to the maintenance, administration and distribution of the Equity Give-Up may be paid from the Equity Give-Up.

27. In consideration for the release of claims set forth herein, including, but not limited to, the resolution of the Committee Objection, the Lender and certain of the Individual Releasees have agreed to pay, or cause to be paid, to the Debtor, the sum of \$550,000 to be paid to the Debtor on or before the Closing Date in the manner set forth in the Purchase Agreement (the "Settlement Payment") for use for general corporate purposes including the costs of administering the Chapter 11 case or otherwise distributed as provided under the Bankruptcy Code.

28. As provided in the Purchase Agreement, effective as of the Closing Date, all Claims against the Debtor, the Debtor's estate or property of the Debtor and the Equity Give-Up by the Individual Releasees (as defined in the Purchase Agreement)



are hereby waived and released by such Individual Releasees and all such Claims are hereby disallowed and expunged in their entirety. Such Individual Releasees shall be forever barred from asserting all such claims against the Debtor, the Debtor's estate or property of the Debtor or the Equity Give-Up. Such Individual Releasees hereby release the Debtor and the estate from any and all rights, claims, actions or demands of every kind and nature, in law or equity, or otherwise, and known and unknown.

29. Effective as of 12:01 a.m. on the day after the Closing Date, the Debtor shall be deemed to have rejected the Debtor's prepetition employment and severance agreements with those employees having pre-petition employment contracts with the Debtor (as defined in the Purchase Agreement, the "Waiving Employees"). The employment agreements between Buyer and (i) Laurence J. Moellentine ("Moellentine"), and (ii) Stuart Chizen ("Chizen") are hereby deemed void as of March 8, 2004, and shall give rise to no claim against HIG, the Debtor, the Debtor's estate, property of the Debtor or the Equity Give-Up. Notwithstanding the foregoing, the entry of this Order is without prejudice to the rights of Moellentine and Chizen to enter into new employment agreements with Buyer; provided that such agreements shall become effective only on or after the Closing Date. At Closing, the Waiving Employees shall deliver waivers and releases of any and all claims for rejection damages and any other Claims against the Debtor, the Debtor's estate or Debtor's properties and the Waiving Employees shall be forever barred from asserting such claims against the Debtor, the Debtor's estate, property of the Debtor or the Equity Give-Up. Pursuant to Section 365(a) of the Bankruptcy Code, the rejection of the employment agreements is hereby approved.



30. Effective as of the Closing Date, the Tax Indemnification Agreement dated March 15, 2004, between the Buyer and Murray Pottruck, Daniel Bernstein, Paul Gricus, Stuart Chizen and Laurence Moellentine, shall remain in full force and effect but, to the extent that any tax obligation covered by the Tax Indemnification Agreement is asserted and allowed against the Debtor and that such liability is in an amount sufficient to cause a diminution of the Equity Give-Up, Buyer shall immediately pay the allowed amount of such tax obligation to or for the benefit of the Debtor and the Debtor's bankruptcy estate and not to the parties indemnified pursuant to the Tax Indemnification Agreement. But, in no event, shall Buyer's obligation to the Debtor and the parties indemnified pursuant to the Tax Indemnification Agreement exceed \$100,000 in the aggregate.

31. At any time after the Closing Date, without further order from the Court, the Debtor may abandon or reject any of its presently existing executory contracts or leases which are not (a) assumed by Buyer, (b) continued and included on the schedule to the Transition Services Agreement or (c) assigned to the Buyer pursuant to the Secaucus Assignment Agreement (the "Excluded Contracts"), by obtaining the Committee's consent and serving upon (i) the non-Debtor party to such Excluded Contract, (ii) HIG and (iii) Buyer, a notice by overnight express mail to such parties' last known address available to the Debtor (and its counsel, if known) that such Excluded Contract shall be deemed rejected and/or abandoned as of five (5) business days following the service of such notice, absent a written objection. Such notice shall also provide for (a) a ten (10) day period within which such non-Debtor party may file an objection to such rejection, (b) the return by the Debtor of any such personal



property or possession of such leasehold to the landlord, or (c) the personal property or leasehold may be abandoned. Claims arising out of the rejection of a lease or contract under this paragraph must be filed with this Court on or before thirty (30) days after the effective date of the rejection. This Order is without prejudice to the Debtor's right to file a subsequent motion to assume and assign any Excluded Contracts or seek other or different relief regarding such lease or contract.

32. The Debtor and the Committee shall promptly file a joint plan of liquidation and disclosure statement consistent with the terms of this Order and the Purchase Agreement. The Debtor's time within which to file a plan and solicit acceptances of such plan pursuant to section 1121(d) of the Bankruptcy Code is hereby modified to allow the Committee to share the exclusive periods and be permitted to file a separate or joint plan of liquidation with the Debtor.

33. This Order constitutes a compromise settlement of disputed claims among the Debtor, the Debtor's officers and directors, the Buyer, and the Committee and shall not be deemed or construed to be an admission of liability by either party at any time for any purpose. The parties warrant that they own and have not assigned, sold, transferred or otherwise disposed of any claim or any interest in any claim against the other released in this Order.

34. Pursuant to the Purchase Agreement, the Buyer has the right to credit a portion of the HIG Claim (not to exceed \$20,000,000) against the Purchase Price (except with respect to the Equity Give-Up) for the Acquired Assets pursuant to Section 363(k) of the Bankruptcy Code.



35. In accordance with the Purchase Agreement, at Closing, all Claims arising under the Credit Agreement or otherwise, whether arising under contract, at law or in equity, including, but not limited to, the Replacement Liens, Superiority Claims, Diminution Claims and Post-Petition Advances and the remaining unsecured deficiency portion of the HIG Claim, without duplication, (but not including claims arising under the Purchase Agreement, or other documents or instruments executed in connection with the Closing, if any), shall be replaced with the Subordinated Note (in form and substance reasonably acceptable to the Debtor and the Committee), as provided in the Purchase Agreement, which shall be deemed an unsecured claim against the Debtor subordinate and junior to the rights and claims of any other creditor or claimant of the Debtor or Debtor's estate. On the Closing Date, the liens and security interests securing the HIG Claim shall be deemed terminated and extinguished. HIG, HIG Capital Management, Inc., HIG Capital LLC, and their officers, directors, executives and advisors, hereby waive and release any right or entitlement to recover or receive any distribution from the Equity Give-Up or any distribution or dividend with respect to this proceeding including, but not limited to, the Excluded Assets, Additional Cash Payment or Avoidance Actions.

36. In consideration of the Buyer's payment of the Purchase Price, effective as of the Closing Date:

(i) each of the General Releasees are hereby released from all claims (as defined in Bankruptcy Code § 101(5)) that the Debtor, its affiliates, the Committee, on behalf of itself and the estate of the Debtor, or any party claiming through any of the foregoing, may have against the General Releasees, regardless of whether such claim accrued before or after the Petition Date through the Closing Date, except that the Buyer's obligations and agreements, including its obligation to make payments and fund, pursuant to the Cash Collateral Stipulation and pursuant to the



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Purchase Agreement, this Order, the Transition Services Agreement, and the Secaucus Assignment Agreement, shall not be released; provided, however, nothing in this paragraph releases Buyer's obligations or agreements under this Order, the Purchase Agreement, the Transition Services Agreement, or the Secaucus Assignment Agreement;

(ii) each of the Individual Releasees (other than Individual Releasees that have not delivered an Estate Release) shall be fully released with respect to all Claims and defenses that the Debtor, the Committee) and its members (solely in their role and capacity as members of the Committee, any party in interest or any party claiming through any of the foregoing may have against them through the Closing Date (other than claims against Buyer arising under the Purchase Agreement); and

(iii) each of HIG, HIG Capital Management Inc., HIG Capital LLC, and PNC Bank, N.A., the Individual Releasees and, as provided under the Purchase Agreement, the Waiving Employees, hereby releases and waives all Claims against the Debtor, the Debtor's estate, property of the Debtor, and the Committee, its members (solely in their role and capacity as members of the Committee) and the Equity Give-Up.

37. The Debtor, HIG, HIG Capital Management Inc., HIG Capital LLC, and PNC Bank, N.A., Individual Releasees, hereby agree that each of them shall not consent to, support, participate in or otherwise take or omit to take any action inconsistent with or in derogation of this Order and the Purchase Agreement.

38. This Court shall retain jurisdiction to interpret and enforce the provisions of the Purchase Agreement, the Bidding Procedures Order and this Sale Order in all respects, including, but not limited to, any claims of entities that seek to enforce Excluded Obligations against the Buyer or the Acquired Assets, and further to hear and determine any and all disputes between the Debtor and/or the Buyer, as the case may be, and any non-debtor party to, among other things, any Assumed Executory Contracts concerning, inter alia, the Debtor's sale, assumption and assignment thereof to the Buyer under the Purchase Agreement; provided, however, that in the event the Court abstains from exercising or declines to exercise such jurisdiction or is without



jurisdiction with respect to the Purchase Agreement, Bidding Procedures Order, or this Sale Order, 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.

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

40. This Sale Order shall inure to the benefit of and shall be binding on the Buyer, the Debtor and affected parties, and their respective successors and assigns, including, but not limited to, any chapter 11 or chapter 7 trustee that may be appointed in the Debtor's case and shall be binding upon any trustee, party, entity or fiduciary that may be appointed in connection with this case or any other or further cases involving the Debtor, whether under chapter 7 or chapter 11 of the Bankruptcy Code.

41. Pursuant to Bankruptcy Code § 1146(c), the transactions contemplated by the Purchase Agreement, including, but not limited to, the transfer of the Acquired Assets to the Buyer, recordation of evidence thereof, the granting mortgages and security interests in the Acquired Assets by the Buyer, and the recordation of evidence thereof by the Buyer or grantee of such mortgages and security interests are determined to be under or in contemplation of a plan to be confirmed under Bankruptcy Code § 1129 in that the net proceeds of the sale of the Acquired Assets are essential and required to fund a chapter 11 plan for the Debtor, and therefore, are exempt from any transfer, stamp or similar tax or any so-called "bulk-sale" law in all necessary jurisdictions arising as a result of or in connection with the Debtor's sale and transfer of the Acquired Assets to the Buyer.



42. Each and every federal, state, and local governmental agency or department is hereby directed to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the Purchase Agreement and this Sale Order.

43. The requirement under Southern District of New York Local Bankruptcy Rule 9013-1(b) to file a memorandum of law in support of the Sale Motion is waived.

44. This Sale Order shall be effective and enforceable immediately upon entry and its provisions shall be self-executing, and the automatic stay of orders (i) authorizing the sale, use, or lease of property of the estate, as set forth in Bankruptcy Rule 6004(g) and (ii) authorizing the assumption and assignment of an executory contract or unexpired lease, as set forth in Bankruptcy Rule 6006(d), shall not apply to this Sale Order.



45. All entities who are presently, or on the Closing Date may be, in the possession of some or all of the Acquired Assets are hereby directed to surrender possession of the Acquired Assets to the Buyer on the Closing Date.

SO ORDERED in the Southern District of New York, this 4th day of August 2004.

/s/ Allan L. Gropper

ALLAN L. GROPPER, U.S.B.J.

I hereby attest and certify on 11/16/2004
that this document is a full, true and correct
copy of the original filed on the court's
electronic case filing system.

Clerk, US Bankruptcy Court, SDNY

By: Francis Ferguson Deputy Clerk



EXHIBIT LIST

Exhibit A	Purchase Agreement
Exhibit B	Transition Services Agreement
Exhibit C	Secaucus Assignment Agreement
Exhibit D	Cure Notice with Schedule of Cure Amounts
Exhibit E	Dualstar Contracts

SCHEDULES

Schedule 1	Officer's Waived Claims
Schedule 2	Rejected Employment Agreements



EXHIBIT E

- (i) Renewal and Third Amendatory Agreement (dated March 1, 2004) of Premium Vendor Engagement Agreement dated September 18, 2000 (for the term January 1, 2004 through December 31, 2005 in the United States only);
- (ii) Renewal Agreement (dated August 1, 2003) of Premium Vendor Engagement Agreement dated October 23, 2002 (for the term January 1, 2004 through December 31, 2004 in Canada only);
- (iii) Renewal Agreement (dated August 1, 2003) of Premium Vendor Engagement Agreement dated October 23, 2002 (for the term January 1, 2004 through December 31, 2004 in the United States only);
- (iv) Renewal Agreement (dated October 1, 2003) of Premium Vendor Engagement Agreement dated October 23, 2002 (for the term January 1, 2004 through December 31, 2004 in Canada only);
- (v) Second Amendment (dated as of November 15, 2003) of Premium Vendor Engagement Agreement dated October 23, 2002 (for the term November 15, 2003 through September 30, 2004 in the United States only for prescription quality (RX) sunglasses).

