TRADEMARK ASSIGNMENT

Electronic Version v1.1
Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Release of security interest per bankruptcy court order

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Wells Fargo Business Credit, Inc.		11/25/2008	CORPORATION: MINNESOTA
Wells Fargo Retail Finance, LLC		11/25/2008	LIMITED LIABILITY COMPANY: DELAWARE
Kestrel Capital, L.P.		11/25/2008	LIMITED PARTNERSHIP: TEXAS

RECEIVING PARTY DATA

Name:	BTWW Retail, L.P.
Street Address:	301 Commerce Street, Suite 1700
City:	Fort Worth
State/Country:	TEXAS
Postal Code:	76102
Entity Type:	LIMITED PARTNERSHIP: TEXAS

PROPERTY NUMBERS Total: 4

Property Type	Number	Word Mark
Registration Number:	2316559	WE COVER THE WEST
Registration Number:	2193695	JOB SITE
Registration Number:	1818497	CODY JAMES
Registration Number:	1197321	WESTERN WAREHOUSE

OP $115.00 2316559

CORRESPONDENCE DATA

Fax Number: (714)668-6457
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
Email: barbaraalder@paulhastings.com
Correspondent Name: Barbara Alder
Address Line 1: 695 Town Center Drive, 17th Floor
Address Line 2: c/o Paul Hastings Janofsky & Walker LLP
Address Line 4: Costa Mesa, CALIFORNIA 92626

NAME OF SUBMITTER:	Barbara Alder
Signature:	/s/ Barbara Alder
Date:	09/23/2009

Total Attachments: 36
source=Bankruptcy Court Order#page1.tif
source=Bankruptcy Court Order#page2.tif
source=Bankruptcy Court Order#page3.tif
source=Bankruptcy Court Order#page4.tif
source=Bankruptcy Court Order#page5.tif
source=Bankruptcy Court Order#page6.tif
source=Bankruptcy Court Order#page7.tif
source=Bankruptcy Court Order#page8.tif
source=Bankruptcy Court Order#page9.tif
source=Bankruptcy Court Order#page10.tif
source=Bankruptcy Court Order#page11.tif
source=Bankruptcy Court Order#page12.tif
source=Bankruptcy Court Order#page13.tif
source=Bankruptcy Court Order#page14.tif
source=Bankruptcy Court Order#page15.tif
source=Bankruptcy Court Order#page16.tif
source=Bankruptcy Court Order#page17.tif
source=Bankruptcy Court Order#page18.tif
source=Bankruptcy Court Order#page19.tif
source=Bankruptcy Court Order#page20.tif
source=Bankruptcy Court Order#page21.tif
source=Bankruptcy Court Order#page22.tif
source=Bankruptcy Court Order#page23.tif
source=Bankruptcy Court Order#page24.tif
source=Bankruptcy Court Order#page25.tif
source=Bankruptcy Court Order#page26.tif
source=Bankruptcy Court Order#page27.tif
source=Bankruptcy Court Order#page28.tif
source=Bankruptcy Court Order#page29.tif
source=Bankruptcy Court Order#page30.tif
source=Bankruptcy Court Order#page31.tif
source=Bankruptcy Court Order#page32.tif
source=Bankruptcy Court Order#page33.tif
source=Bankruptcy Court Order#page34.tif
source=Bankruptcy Court Order#page35.tif
source=Bankruptcy Court Order#page36.tif

U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
ENTERED
TAWANA C. MARSHALL, CLERK
THE DATE OF ENTRY IS
ON THE COURT'S DOCKET

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

Signed November 25, 2008 **United States Bankruptcy Judge**

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

IN RE:	§	**CHAPTER 11**
	§	
BTWW RETAIL, L.P., et al.,	§	**CASE NO. 08-35725-BJH-11**
	§	
DEBTORS.	§	**(Administratively Consolidated)**
	§	
	§	
	§	**HEARING DATE: NOVEMBER 25, 2008**
	§	**HEARING TIME: 9:00 A.M. CENTRAL TIME**

ORDER APPROVING MOTION TO (i) AUTHORIZE SALE FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES AND INTERESTS, (ii) AUTHORIZE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND NON-RESIDENTIAL REAL PROPERTY LEASES; (iii) FIX CURE AMOUNTS; AND (iv) GRANT RELATED RELIEF, INCLUDING APPROVAL OF ASSET PURCHASE AGREEMENT AS TO CERTAIN STORE LOCATIONS AND AMENDED AGENCY AGREEMENT AND STORE CLOSING SALES WITH RESPECT TO THE REMAINING STORE LOCATIONS

Upon the Amended Motion to (a) Approve Bid Procedures and Protections; (b) Approve the Form and Manner of Notice Related Thereto; (c) Authorize Sale Free and Clear of All Liens,

TRADEMARK
REEL: 004066 FRAME: 0615

Claims, Encumbrances and Interests and Assumption and Assignment of Certain Executory Contracts and Non-Residential Real Property Leases; (d) Fix Cure Amounts; and (e) Grant Related Relief[1] (the "Sale Motion"), filed by the above-captioned debtors and debtors in possession (collectively, the "Debtors") on November 5, 2008, for an order (A) authorizing the Debtors to (i) sell all of the Debtors' stores as a going concern, (ii) sell a portion of the Debtors' stores as a going concern, or (iii) liquidate all of the Debtors' assets at a portion of the Debtors' stores, or (iv) enter into any combination of (ii) and (iii) above, in each case with such sales or liquidations to be free and clear of all liens, claims, encumbrances and other interests; (B) authorizing the assumption and assignment of certain executory contracts and non-residential real property leases; (C) fixing cure amounts under such assumed and assigned executory contracts and non-residential real property leases; and (D) granting such other relief as more fully set forth in the Sale Motion; following the Auction (as defined in the Bid Procedures Order),[2] which was conducted in accordance with the Bid Procedures Order, the Debtors recommended to this Court as the "highest and best bids" the bids of the (i) Going Concern Purchaser[3], as more fully set forth in the Asset Purchase Agreement[4] and (ii) the liquidation bid

---

[1] On November 5, 2008, the Debtors filed a motion (the "First Sale Motion") substantially in the form of the Sale Motion, but which did not include the "stalking horse" bid of the Hudson Group (as defined below). The hearing on the First Sale Motion was set for November 13, 2008, and at such hearing this Court required that the Debtors file an amended sale motion, including the "stalking horse" bid of the Hudson Group. Further, at the November 13, 2008 hearing, this Court agreed to continue such hearing and consider the merits of the Sale Motion (with respect to the approval of the "stalking horse" bidder and the Bid Procedures).

[2] The term "Bid Procedures Order" shall mean the Order Approving Amended Motion Of Debtors To (A) Approve Bid Procedures And Protections; (B) Approve The Form And Manner Of Notice Related Thereto; (C) Authorize Sale Free And Clear Of All Liens, Claims, Encumbrances And Interests And Assumption And Assignment Of Certain Executory Contracts And Non-Residential Real Property Leases; (D) Fix Cure Amounts; And (E) Grant Related Relief, entered by this Court on November 17, 2008.

[3] The term "Going Concern Purchaser" shall mean Boot Barn, Inc., a Delaware corporation.

[4] The term "Asset Purchase Agreement" shall mean that certain Asset Purchase Agreement, dated November 24, 2008, by and between Boot Barn, Inc., as purchaser, and the Debtors, as sellers.

TRADEMARK
REEL: 004066 FRAME: 0616

of the Hudson Group (as defined below), as more fully set forth in that certain Amended Agency Agreement, dated as of November 13, 2008 (the "Amended Agency Agreement"), by and between the Debtors, on the one hand, and a joint venture comprised of Hudson Capital Partners, LLC, Great American Group WF, LLC, SB Capital Group, LLC, and Tiger Capital Group, LLC (collectively, the "Hudson Group"); this Court finds the Going Concern Purchaser and the Hudson Group to be the "successful bidders" pursuant to the Asset Purchase Agreement and the Amended Agency Agreement; respectively, this Court having reviewed the Sale Motion and all pleadings related thereto, and having considered the evidence proffered at the hearing on the Sale Motion (the "Sale Hearing"), and upon the record of the Sale Hearing including the testimony and evidence presented at the Sale Hearing and the decision of this Court to approve the Sale Motion as reflected on the record of the Sale Hearing, and based on the agreements of the parties made on the record (as reflected below); and after due deliberation and sufficient cause appearing therefore, this Court hereby makes the following Findings of Fact and Conclusions of Law.[5]

I. FINDINGS OF FACT AND CONCLUSIONS OF LAW

A. This Court has jurisdiction to hear and determine the Sale Motion and grant the relief requested therein, pursuant to 28 U.S.C. §§ 157(b)(1) and 1334(b). This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2)(A), (K), (N) and (O). Venue of the Debtors' Chapter 11 cases and the Sale Motion is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

---

[5] Findings of fact shall be construed as conclusions of law, and conclusions of law shall be construed as findings of fact when appropriate. See Fed. R. Bankr. P. 7052 Any statements of this Court from the bench at the Sale Hearing shall constitute additional findings of fact and conclusions of law as appropriate and are expressly incorporated by reference into this Sale Order.

TRADEMARK
REEL: 004066 FRAME: 0617

B. The Bid Procedures Order was entered on November 17, 2008, under which, among other things, this Court previously approved certain Bid Procedures and Bid Protections and notice procedures for the Sale Hearing. The Bid Procedures Order provided that it was immediately effective upon entry, and such Order is a final and non-appealable order and remains in full force and effect.

C. As evidenced by the Certificates of Service previously filed with this Court and the testimony at the Sale Hearing, (i) notice of the Sale Motion, and of the hearing to consider approval of the Sale Motion was given in accordance with the Bid Procedures Order and as otherwise required by applicable law, including notice to all parties to the Assumed Contracts (as defined below); (ii) due, proper, timely, adequate, and sufficient notice of the Sale Motion, the Sale Hearing, and the store closing sales (with respect to such stores identified in the Amended Agency Agreement) has been given; (iii) such notice was good and sufficient, and appropriate under the circumstances; and (iv) no other or further notice of the Sale Motion, the Sale Hearing, or the relief sought with respect thereto shall be required.

D. A true and correct copy of the Asset Purchase Agreement is attached hereto as Exhibit 1 and is incorporated herein for purposes. A copy of the Amended Agency Agreement is attached hereto as Exhibit 2 and is incorporated herein for all purposes. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Amended Agency Agreement with respect to terms relating to the liquidation sales of the Debtors' assets, and capitalized terms not otherwise defined herein shall have the meanings set forth in the Asset Purchase Agreement with respect to terms relating to the sale of the Debtors' assets to the Going Concern Purchaser.

E. Good and sufficient reasons exist for approval of the Asset Purchase Agreement, the assumption and assignment of the Assumed Contracts, and the approval of the Amended

TRADEMARK
REEL: 004066 FRAME: 0618

Agency Agreement. The relief requested in the Sale Motion is within the reasonable business judgment of the Debtors, and is in the best interests of the Debtors, their estates, their creditors, and other parties in interest.

F. The Debtors have demonstrated both (i) good, sufficient and sound business purpose and justification, and (ii) compelling circumstances for the entry into the Asset Purchase Agreement and the Amended Agency Agreement and the consummation of the Sales at the Stores pursuant to section 363(b) of the Bankruptcy Code prior to confirmation of the Plan, in that, among other things, the immediate consummation of the Sales at the Stores by the Going Concern Purchaser and the Hudson Group is necessary and appropriate to avoid immediate and irreparable harm to the Debtors' estates, and thereby maximizes the value to the Debtors' estates from such dispositions.

G. On November 24, 2008, the Debtors conducted the Auction, in accordance with the Bid Procedures Order entered by this Court. At the conclusion of the Auction, the Debtors recommended that (i) the Going Concern Purchaser is the successful bidder for the purchase of certain stores as a going concern pursuant to the Asset Purchase Agreement; (ii) the Hudson Group is the successful bidder to act as the Debtors' exclusive agent for conducting the Sales at the Stores pursuant to the Amended Agency Agreement; and (iii) Hilco, Inc. ("Hilco") is the second highest and best bidder pursuant to the Agency Agreement, dated November 21, 2008 (the "Second Highest and Best Bid"[6]), by and between the Debtors, on the one hand, and Hilco, on the other hand. This Court approved the recommendations of the Debtors at the Sale Hearing held on November 25, 2008.

TRADEMARK
REEL: 004066 FRAME: 0619

H. The terms and conditions set forth in the Asset Purchase Agreement and Amended Agency Agreement are fair and reasonable. The Debtors, the Going Concern Purchaser, and the Hudson Group extensively negotiated the terms and conditions of the Asset Purchase Agreement and Amended Agency Agreement in good faith and at arm's length and without collusion or fraud, and the Going Concern Purchaser is entering into the Asset Purchase Agreement (and the Hudson Group is entering into the Amended Agency Agreement) in good faith and is a good faith "agent" within the meaning of section 363(m) of the Bankruptcy Code, and the Going Concern Purchaser and the Hudson Group are therefore entitled to the protections afforded thereby and there is no basis to set aside the Auction under section 363(n) of the Bankruptcy Code.

I. Neither the Going Concern Purchaser nor the Hudson Group is an "insider" of any of the Debtors, as that term is defined in section 101(31) of the Bankruptcy Code. None of the Debtors, the Going Concern Purchaser, or the Hudson Group has engaged in any conduct that would prevent the application of section 363(m) of the Bankruptcy Code or cause the application of or implicate section 363(n) of the Bankruptcy Code to the Asset Purchase Agreement (or the Amended Agency Agreement) or to the consummation of the transactions contemplated thereby. The Going Concern Purchaser and the Hudson Group are entitled to all the protections and immunities of section 363(m) of the Bankruptcy Code.

J. The offers of the Going Concern Purchaser and the Hudson Group, upon the terms and conditions set forth in the Asset Purchase Agreement and the Amended Agency Agreement, including the form and total consideration to be realized by the Debtors pursuant to

---

[6] At the Auction, Hilco agreed to be the Second Highest and Best Bidder, with its bid of 37.00 percent of Retail

TRADEMARK
REEL: 004066 FRAME: 0620

the Asset Purchase Agreement and the Amended Agency Agreement, (i) are the highest and best offers received by the Debtors for the Debtors' assets to be sold thereunder; (ii) are fair and reasonable; and (iii) are in the best interests of the Debtors' creditors and estates.

K. The closing of the transactions contemplated under the Asset Purchase Agreement and the Amended Agency Agreement is in the best interest of the Debtors' estates.

L. The conduct of the Sale will provide an efficient means for the Debtors to dispose of their assets in accordance with the terms of the Asset Purchase Agreement and the Amended Agency Agreement.

M. The Debtors have represented to this Court that they are neither selling nor leasing personally identifiable information, as defined in section 101(41A) of the Bankruptcy Code (the "Personally Identifiable Information") (or assets containing personally identifiable information) pursuant to the Sale Motion, although the Going Concern Purchaser and the Hudson Group will be authorized to distribute promotional materials to the Debtors' customers through the Debtors' retained third-party service provider.

N. Pursuant to section 363(f) of the Bankruptcy Code, the Debtors' assets to be sold pursuant to the Asset Purchase Agreement (including the Assumed Contracts) and the Amended Agency Agreement shall be sold free and clear of (i) any and all mortgages, security interests, conditional sales or title retention agreements, pledges, hypothecations, liens, judgments, encumbrances or claims of any kind of nature (including, without limitation, any and all "claims" as defined in section 101(5) of the Bankruptcy Code), including, without limitation, the liens of the Debtors' secured pre-petition and post-petition lenders, Wells Fargo Retail Finance, LLC, as agent and lender (the "Agent" and "Lender", respectively), the Junior Lien Agent and the Junior

---

Price, "with sharing" pursuant to the terms of the Hilco bid, submitted to the Debtors on November 21, 2008.

TRADEMARK
REEL: 004066 FRAME: 0621

Lien Creditors (each as defined in the interim financing order, entered by this Court on November 5, 2008), whether arising by agreement, any statute or otherwise and whether arising before, on or after the date of these chapter 11 cases, (ii) free and clear of any claims that purport to give to any party a right or option to effect any forfeiture, modification, right of first refusal, or termination of the Debtors' or the Going Concern Purchaser's interest in the assets to be acquired under the Asset Purchase Agreement or any similar rights, and (iii) any claims arising under doctrines of successor liability (collectively, the "Liens") with such Liens to attach to Guaranteed Amount (including the Initial Guaranty Payment) and any other amounts payable to the Debtors under the Amended Agency Agreement, with the same priority, validity, force and effect as they existed prior to the sale of such assets under the Amended Agency Agreement; provided, further, that, except as expressly provided herein where the liens of the Agent and the Lender shall attach to the sales proceeds under the Asset Purchase Agreement (and the Guaranteed Amount and any other amounts payable to the Debtors under the Amended Agency Agreement), the terms of this Sale Order shall in all respects be subject to, and shall not in any manner alter or modify the Financing Orders, as defined below (or the liens, protections, benefits, and priorities granted to the Agent and the Lender thereunder).

TRADEMARK
REEL: 004066 FRAME: 0622

II. DECRETAL PROVISIONS

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED AS FOLLOWS:

General Provisions

1. Except to the extent that relief was previously granted in the Bid Procedures Order, the relief requested is granted and approved as provided herein, subject to the terms and conditions as set forth herein.

2. For the reasons set forth on the record at the Sale Hearing, all objections to the Sale Motion that have not been withdrawn, waived, settled, or specifically addressed in this Sale Order, and all reservations of rights included in such objections, are overruled in all respects on the merits and denied with prejudice.

3. Except as expressly provided for herein, the terms and provisions of this Sale Order shall be binding upon in all respects the Debtors, their officers, partners, managers, employees, directors, the Debtors' estates, and all persons or entities asserting claims against or interest the Debtors, or their estates (including, but not limited to, all non-Debtor parties asserting any Liens on the Debtors' assets), the Going Concern Purchaser and the Hudson Group and each of their respective officers, directors, partners, and members, and all interested parties, and their respective successors and assigns.

Approval of the Asset Purchase Agreement and the Amended Agency Agreement

4. Pursuant to sections 363(b) and (f) of the Bankruptcy Code, the Debtors are hereby authorized and empowered to (i) take any and all actions necessary or appropriate to conduct the Sales in accordance with the Asset Purchase Agreement, Amended Agency Agreement, the Sale Guidelines (attached as an exhibit to this Sale Order with respect to the

TRADEMARK
REEL: 004066 FRAME: 0623

store closings under the Amended Agency Agreement), and this Sale Order; and (ii) execute and deliver, perform under, consummate, implement, and close fully the Asset Purchase Agreement and the Amended Agency Agreement, together with any and all additional instruments and documents that may be reasonably necessary or desirable to implement the transactions set forth in the Asset Purchase Agreement and the Amended Agency Agreement. No bulk sale, "going-out-of-business", or similar law shall prohibit the Debtors or the Hudson Group from taking any action contemplated by the Amended Agency Agreement.

5. The Debtors are hereby authorized and empowered to enter into the Asset Purchase Agreement and the Amended Agency Agreement[7], and the Asset Purchase Agreement and the Amended Agency Agreement are hereby approved in their entirety and are incorporated herein by reference, and it is further ordered that all amounts payable to the Hudson Group under the Amended Agency Agreement shall be payable to the Hudson Group without the need for any application of the Hudson Group therefor or a further order of this Court; provided, however, any and all amounts of expenses of the Hudson Group must be reasonable, and to the extent that the Debtors, the Agent, the Lender, the Junior Lien Agent, or the Official Committee of Unsecured Creditors (the "Creditors' Committee") objects to the reasonableness of same, this Court shall determine the reasonableness of such expenses.

6. If for any reason the Going Concern Purchaser fails to consummate the transactions contemplated by the Asset Purchase Agreement, on or before November 26, 2008 by 3:00 p.m. (Central Time) (recognizing that the Going Concern Purchaser shall have timely

[7] Pursuant to the terms and conditions of the Bid Procedures Order, this Court authorized the Debtors to enter into the Agency Agreement solely with respect to the bid protections and break-up fee provisions therein. By the terms of this Sale Order, all of the terms and conditions of the Amended Agency Agreement are approved by this Court, subject to the terms and conditions of this Sale Order.

TRADEMARK
REEL: 004066 FRAME: 0624

consummated the transactions if it wire transfers the Purchase Price (as defined in the Asset Purchase Agreement) to the Debtors on or before 3:00 p.m. (Central Time) on November 26, 2008), the Debtors are authorized to immediately amend the Amended Agency Agreement with the Hudson Group to include additional stores as Hudson Closed Stores and consummate the transactions with the Hudson Group upon substantially the same terms as provided in the Amended Agency Agreement, with the additional Hudson Closed Stores. In that event, no further order is necessary to authorize the sale of such assets to the Hudson Group with respect to the additional Hudson Closed Stores. If for any reason the Hudson Group fails to consummate the transactions contemplated by the Amended Agency Agreement, on or before November 26, 2008 by 3:00 p.m. (Central Time), the Debtors are authorized to immediately consummate the transaction with the Second Highest and Best Bidder (i.e., a liquidator's bid). In that event, the Second Highest and Best Bidder shall be "Hilco" under this Sale Order for all purposes and no further order is necessary to authorize the sale to the Second Highest and Best Bidder.[8]

Assumption and Assignment of Executory Contracts and Unexpired Leases

7. The unexpired leases and executory contracts to be assumed and assigned to the Going Concern Purchaser (the "Assumed Contracts") are valid and binding, in full force and effect and are enforceable in accordance with their terms, and are property of the Debtors' estates pursuant to section 541(a) of the Bankruptcy Code. A list of the Assumed Contracts with respect to the Going Concern Purchaser is attached as Schedules 1.1(a) and 1.1(b) to the Asset Purchase Agreement and is incorporated herein for all purposes.

---

[8] Notwithstanding anything to the contrary, the Debtors shall nonetheless have the right to assert their claims against

TRADEMARK
REEL: 004066 FRAME: 0625

8. Pursuant to Sections 105, 363 and 365 of the Bankruptcy Code, the Debtors shall be, and hereby are, authorized to assume, sell and assign to the Going Concern Purchaser the Assumed Contracts pursuant to the terms and provisions of the Asset Purchase Agreement. Attached hereto as Exhibit 4 is a list of Cure Amounts with respect to each Assumed Contract. Because either (i) there have been no timely objections by any non-debtor to such Assumed Contracts, or (ii) any such objections have been resolved pursuant to the terms hereof, the Cure Amounts set forth in Exhibit 4 shall be deemed the only Cure Amounts due and owing to the non-debtor parties to the Assumed Contracts (the "Allowed Cure Amounts"); provided, further, that the Going Concern Purchaser's obligation to fund the Cure Amounts shall not exceed $150,000. Further, (a) the payment of the Allowed Cure Amounts (and the agreement of the Going Concern Purchaser to pay the respective CAM charges for the prior year under any such leases assumed and assigned, which charges are subject to subsequent reconciliation and adjustment)[9] shall be deemed to cure all defaults under the Assumed Contracts arising or occurring prior to the Closing (as defined in the Asset Purchase Agreement) and shall be deemed to satisfy all of the non-debtor party's rights under Section 365(b)(1)(A) and (B) of the Bankruptcy Code, including any defaults and pecuniary losses that otherwise might or could have been asserted by the non-debtor party to the Assumed Contracts, (b) each party to any Assumed Contracts shall be deemed to have consented to the assumption and assignment of the Assumed Contracts to the Going Concern Purchaser identified in such Asset Purchase Agreement, and (c) all such parties shall be forever barred from asserting any default existing as of such Closing or any purported

---

the Hudson Group for breach of the Agency Agreement.

[9] In addition, the Going Concern Purchaser shall assume the obligation for the year end reconciliations for the preceding year of the taxes and insurance with respect to the following landlords: (i) General Growth Properties, Inc.; and (ii) Cody Building.

TRADEMARK
REEL: 004066 FRAME: 0626

written or oral modification to the Assumed Contracts, except as otherwise expressly provided in the Asset Purchase Agreement.

9. Upon the entry of this Sale Order and the closing of the transactions contemplated hereunder, the Going Concern Purchaser shall succeed to the entirety of the Debtors' rights, interests, and obligations in and under the Assumed Contracts identified in such Asset Purchase Agreement from and after such Closing and shall have all rights, interests, and obligations thereunder.

10. To the extent that any Assumed Contracts are subject to a cure (pursuant to Section 365 of the Bankruptcy Code and described in any Order of the Bankruptcy Court relating to such cure liability), the Going Concern Purchaser is hereby directed to pay up to $150,000 to the Debtors for payment of all Allowed Cure Amounts identified in the Asset Purchase Agreement due and owing to the non-debtor parties to the Assumed Contracts identified in the Asset Purchase Agreement so that all such payments are made promptly after such Closing by the Debtors to such parties or on such date agreed to between the Debtors and the non-debtor party to such Assumed Contract, consistent with the agreements stated on the record. To the extent that there is a dispute between the Debtors and the non-debtor party to such Assumed Contract regarding the amount of the Cure Amount, the Debtors shall hold in escrow the disputed sum until further order of this Court. The non-debtor parties to the Assumed Contracts shall be forever barred from claiming or asserting as to the Going Concern Purchaser or the Debtors' estates any amounts other than the Allowed Cure Amounts.

11. The assumption and assignment of each Assumed Contract shall be deemed effective upon the closing of the sale of assets acquired by the Going Concern Purchaser under the Asset Purchase Agreement. Pursuant to Section 365(k) of the Bankruptcy Code, upon

TRADEMARK
REEL: 004066 FRAME: 0627

assignment of the Assumed Contracts identified in the Asset Purchase Agreement to the Going Concern Purchaser, the Debtors and their estates shall be relieved of liability for any breach of the Assumed Contracts after such assignment.

Procedures With Respect to Hudson Closed Stores

12. Subject to applicable state and local public health and safety laws (the "Safety Laws"), and applicable tax, labor, employment, environmental, and consumer protection laws, including consumer laws regulating deceptive practices and false advertising (collectively, "General Laws"), but with respect to Liquidation Sale Laws and Banner and Signwalker Advertising, not subject to Safety Laws or General Laws, the Debtors and the Hudson Group be, and they hereby are, authorized to take such actions necessary and appropriate to implement the Amended Agency Agreement and to conduct the Sale without the necessity of a further order of this Court as provided by the Amended Agency Agreement, including, but not limited to, advertising the Sale through the posting of signs (including the use of exterior banners at (i) non-enclosed mall Stores, and (ii) enclosed mall Stores to the extent the applicable Store entrance does not require entry into the enclosed mall common area, use of signwalkers and street signage, in accordance with the Amended Agency Agreement and as otherwise provided in the Sale Guidelines, which Sale Guidelines are hereby approved in the form attached hereto as Exhibit 3 and shall govern the conduct of the Sale.

Sale Free and Clear of All Liens

13. Except as otherwise provided in the Asset Purchase Agreement and the Amended Agency Agreement, pursuant to section 363(f) of the Bankruptcy Code, the assets being sold pursuant to the Asset Purchase Agreement (inclusive of the Assumed Contracts) and

TRADEMARK
REEL: 004066 FRAME: 0628

the Amended Agency Agreement shall be sold free and clear of any and all Liens, with such Liens, if any, to attach to the sales proceeds under the Asset Purchase Agreement (and the Guaranteed Amount and any other amounts payable to the Debtors under the Amended Agency Agreement) with the same validity, force and effect as the same had with respect to the assets at issue, prior to such Sale. Any person or entity in possession of the Debtors' assets shall surrender such assets to the Debtors, the Going Concern Purchaser, and the Hudson Group in accordance with the Asset Purchase Agreement and the Amended Agency Agreement upon the closing of the transactions approved by this Sale Order.

14. All persons and entities holding liens, claims, interests or encumbrances of any kind or nature with respect to the assets sold hereunder are hereby forever barred and permanently enjoined from asserting such liens, claims, interests and encumbrances of any kind or nature against such assets or the Going Concern Purchaser or the Hudson Group, or any of their respective successors, assigns, or affiliates; provided, however, the liens and security interests of the Agent and the Lender shall continue to attach to the sales proceeds under the Asset Purchase Agreement (and the Guaranteed Amount and any other amounts payable to the Debtors under the Amended Agency Agreement) subject to the terms of this Sale Order and the Financing Orders. All persons and entities holding liens, claims, interests or encumbrances of any kind or nature with respect to the assets sold hereunder are hereby directed to execute and deliver all additional instruments and documents, which the Going Concern Purchaser or the Hudson Group may deem reasonably necessary, convenient or desirable to evidence the sale of such assets hereunder free and clear of all liens, claims, interests and encumbrances, including,

TRADEMARK
REEL: 004066 FRAME: 0629

without limitation, termination statements on form UCC-3 and releases of liens[10]; provided, however, the liens and security interests of the Agent and the Lender shall continue to attach to the sales proceeds under the Asset Purchase Agreement (and the Guaranteed Amount and any other amounts payable to the Debtors under the Amended Agency Agreement) subject to the terms of this Sale Order and the Financing Orders.

15. Except as expressly provided for in the Asset Purchase Agreement (or the Amended Agency Agreement), nothing in this Sale Order, the Asset Purchase Agreement, or the Amended Agency Agreement and none of the Going Concern Purchaser's actions or the Hudson Group's actions taken in respect of the Sales shall be deemed to constitute an assumption by the Going Concern Purchaser or the Hudson Group of any of Debtors' obligations relating to any of the Debtors' employees, nor shall the Going Concern Purchaser or the Hudson Group become liable under any collective bargaining or employment agreement or be deemed a joint or successor employer with respect to such employees.

---

[10] If any person or entity that has filed financing statements, mortgages, mechanic's liens, lis pendens, or other documents or agreements evidencing interests with respect to the Debtors or the assets to be sold hereunder shall not have delivered to the Debtors prior to such closing, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, releases of all interests which the person or entity has with respect to the Debtors or such assets or otherwise, then (a) the Debtors are hereby authorized to execute and file such statements, instruments, releases and other documents on behalf of the person or entity with respect to such assets and (b) the Debtors are 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 interests, liens, claims, and/or encumbrances in such assets of any kind or nature whatsoever; provided, however, except as otherwise provided herein where the liens of the Agent and the Lender shall attach to sales proceeds under the Asset Purchase Agreement (and the Guaranteed Amount and any other amounts payable to the Debtors under the Amended Agency Agreement), the liens and security interests of the Agent and the Lender shall continue pursuant to the terms of the Financing Orders. This Sale Order is deemed to be in recordable form sufficient to be placed in the filing or recording system of each and every federal, state, and local governmental agency, department, or office.

TRADEMARK
REEL: 004066 FRAME: 0630

16. All of the transactions contemplated by the Asset Purchase Agreement or the Amended Agency Agreement shall be protected by section 363(m) of the Bankruptcy Code in the event that this Sale Order is reversed or modified on appeal.

17. The provisions of this Sale Order shall be self-executing notwithstanding any restrictions in the Amended Agency Agreement on the Hudson Group's ability to conduct the Sale in compliance with applicable laws or closing Store leases. Unless otherwise ordered by this Court, all newspapers and other advertising media in which the Sale may be advertised, and all landlords are directed to accept this Order as binding authority so as to authorize the Debtors and the Hudson Group to consummate the Amended Agency Agreement and to conduct the Sale at the Stores and Distribution Centers, including, without limitation, conducting and advertising of the Sale (at the contractual rates charged to the Debtors prior to the Petition Date) in accordance with the Amended Agency Agreement, the Sale Guidelines and this Sale Order; and no further approval, license or permits of any governmental authority shall be required.

18. Except as to the States (as to which no injunction shall apply whatsoever), and except as expressly provided for herein or in the Sale Guidelines: no person or entity, including but not limited to any landlord or federal or Local Governmental Unit (as defined below), (i) served with a copy of the Sale Motion; or (ii) served with a copy of this Sale Order who does not object pursuant to the provisions of this Sale Order, shall take any action to directly or indirectly prevent, interfere with, or otherwise hinder consummation of the Sale, or the advertising and promotion (including the posting of signs and use of signwalkers) of such Sale, and all such parties and persons of every nature and description, including landlords and utility companies and all those acting for or on behalf of such parties, are prohibited and enjoined from (a) interfering in any way with, or otherwise impeding the conduct of the Sale and/or (b)

TRADEMARK
REEL: 004066 FRAME: 0631

instituting any action or proceeding in any court or administrative body seeking an order or judgment against, among others, the Debtors, the Hudson Group, or the Debtors' landlords for the Stores and Distribution Center, that might in any way directly or indirectly obstruct or otherwise interfere with or adversely affect the conduct of the Sale and/or seek to recover damages for breach(es) of covenants or provisions in any lease or sublease based upon any relief authorized herein, this Court shall retain exclusive jurisdiction to resolve such dispute, and such parties or persons shall take no action against the Debtors, the Hudson Group, the Debtors' landlords or the Sale until this Court has resolved such dispute. This Court shall hear the request of such persons or parties with respect to any such disputes on an expedited basis, as may be appropriate under the circumstances. No Governmental Units (as defined in section 101(27) of the Bankruptcy Code) shall be bound by this injunctive provision unless it was either previously served with the Sale Motion or subsequently served with this Sale Order, and has had an opportunity to object as provided in this Sale Order, and failed to timely file an objection.

19. The Sale at the Stores and Distribution Center shall be conducted by the Debtors and the Hudson Group without the necessity of compliance with any federal, state or local statute or ordinance, lease provision or licensing requirement affecting store closing, "going out of business," liquidation or auction sales, or affecting advertising, including signs, banners, posting of signage, and use of signwalkers, other than Safety Laws and General Laws, except as may otherwise expressly be provided for in the Sale Guidelines. NOTWITHSTANDING THE FOREGOING SENTENCE, OR ANY OTHER PROVISION OF THIS SALE ORDER, OR OF THE AMENDED AGENCY AGREEMENT, OR OF THE SALE GUIDELINES TO THE CONTRARY, with respect solely to the Hudson Group's use, in conformity with the Sale

TRADEMARK
REEL: 004066 FRAME: 0632

Guidelines, of (i) signwalkers; (ii) interior store signage and banners; and (ii) exterior banners (the "Banner and Signwalker Advertising"), (A) the Hudson Group is unconditionally authorized to use Banner and Signwalker Advertising (except only to the extent limited by an agreement between Agent and a landlord entered into in connection with the Sale) notwithstanding any Liquidation Sales Laws, Safety Laws, General Laws, or lease provision which purports to regulate, prohibit, restrict, or in any way limit such activity so long as such activity is undertaken by the Hudson Group in a safe and professional manner; (B) any person (including without limitation any landlord or Governmental Unit (but not the States) who, after having received a copy of this Sale Order, and after having been specifically advised in writing of the provisions of this paragraph, continues to interfere with any Banner and Signwalker Advertisement, including any action by a Governmental Unit taken against a landlord based on the activities of the Hudson Group undertaken pursuant to this Sale Order (other than by seeking redress to this Court as provided in this paragraph or as permitted by further ruling of this Court as a result thereof) shall be liable to the Hudson Group and/or Debtors and affected landlord(s) for any and all damages resulting from such continued interference; and (C) this Court shall retain exclusive jurisdiction with respect to any claim or issue by any person (including without limitation any State, Governmental Unit, or landlord) that seeks to regulate, prohibit, restrict, or in any other way limit Banner and Signwalker Advertising, or that alleges that Banner and Signwalker Advertising is not being undertaken in a safe and professional manner, with any such claim or issue to be heard by this Court on an expedited basis.

20. Except as expressly provided for in the Amended Agency Agreement, the Sale at the Stores and Distribution Center shall be conducted by the Debtors and the Hudson Group notwithstanding any restrictive provision of any lease, sublease or other agreement relative to

TRADEMARK
REEL: 004066 FRAME: 0633

occupancy affecting or purporting to restrict the conduct of the Sale, the rejection of leases, abandonment of assets or "going dark" provisions, provided, however, that nothing in this Sale Order shall impact any objection that any of the Debtors' landlords may have to assumption, assignment or rejection of their respective lease or to any proposed cure amount or rejection damages claim in association with such assumption, assignment or rejection with respect to the locations under the Amended Agency Agreement.

21. Except as may otherwise be specifically set forth in the Sale Guidelines, the Debtors and/or the Hudson Group (as the case may be), are authorized and empowered to transfer assets among the applicable store locations and Distribution Centers under the Amended Agency Agreement, but such assets shall not include the Miller Fixtures as defined below.

22. Except as expressly provided in this Sale Order, nothing in this Sale Order shall be deemed to bar any Governmental Units from enforcing Safety Laws and General Laws in the applicable non-bankruptcy forum, subject to the Debtors' or the Hudson Group's right to assert that any such laws are not in fact Safety Laws or General Laws or that such enforcement is impermissible under the Bankruptcy Code, this Sale Order or otherwise, and provided further that the Governmental Unit shall in the first instance present the matter to this Court for resolution, or to request that they be permitted to proceed with the matter in the applicable non-bankruptcy forum, provided however the Governmental Unit shall provide the Debtors and Agent and any affected landlord with reasonable notice and opportunity to cure any such alleged violation absent extenuating circumstances and/or to oppose the relief sought by such Governmental Unit; provided further, however, cessation of alleged unlawful conduct after notice shall not, in and of itself, render court action by any State moot, under any circumstances,

TRADEMARK
REEL: 004066 FRAME: 0634

any injunctive relief that may lie even if the Debtors or the Hudson Group has ceased the alleged unlawful conduct. The Debtors and/or the Hudson Group and affected landlord do not waive the right to argue that the conduct was in compliance with this Sale Order and/or any applicable law, or preempted by applicable law.

23. The Debtors shall serve copies of this Sale Order within five (5) business days, via first class mail, upon (i) the State Attorney General's offices (upon (x) Chief or Director of the Consumer Protection Division or Bureau; and (y) Chief or Director of the Bankruptcy Division or Bureau) and State Consumer Protection Agency for each State where a store is located and covered under the terms of the Amended Agency Agreement (the "Hudson Closed Store"), and (ii) the State Attorney General's office where a Hudson Closed Store is located, addressed to the attention of the consumer protection division. Except as provided for in paragraph 24 below, this Court shall retain exclusive jurisdiction to resolve any dispute arising under Liquidations Sales Laws and related to the Sale Guidelines, the Amended Agency Agreement, or this Sale Order, by any Local Governmental Unit filed within 20 days of service of this Sale Order. Except as provided in paragraph 19 with respect to Banner and Signwalker Advertising, nothing herein shall preclude any Governmental Unit from enforcing Safety Laws or General Laws in an appropriate non bankruptcy forum.

24. The Debtors are authorized to conduct the closing of the Hudson Closed Stores in accordance with the terms of this Sale Order, the Sale Guidelines, and the Amended Agency Agreement. Provided that the Sale at the Hudson Closed Store is so conducted (and subject to the provisions of this Order) the Debtors, the Hudson Group, and the Debtors' landlords, shall be presumed to be in compliance with any State, county, parish, or municipal or other local government's (the "Local") requirements governing the conduct of the Sale, including but not

TRADEMARK
REEL: 004066 FRAME: 0635

limited to Local statutes, regulation and ordinances establishing licensing or permitting requirements, waiting periods, time limits (except as provided in paragraph 43 below with respect to time limits), or bulk sale restrictions that would otherwise apply to the Store Closing Sales (collectively, the "Liquidation Sale Laws") of (i) any Local Governmental Unit (which means all Governmental Units other than the States or federal Governmental Units) served with a copy of the original Sale Motion filed on November 6, 2008 (and subsequently amended and filed on November 13, 2008); and (ii) any Local Governmental Unit served with this Sale Order and who does not object pursuant to the provisions of paragraph 23 of this Sale Order. The terms "Liquidation Sale Law" and "Liquidation Sale Laws" shall be deemed not to include any Safety Laws or General Laws. Except as provided in paragraph 19 with respect to Banner and Signwalker Advertising, nothing herein shall (i) exempt the Debtors and/or the Hudson Group from compliance with any Safety Laws or General Laws, or (ii) preclude any Governmental Unit from enforcing Safety Laws or General Laws in an appropriate non bankruptcy forum.

25. If there is a dispute (a "Reserved Dispute") over the enforceability of a Liquidation Sale Law, resolution of such Reserved Dispute will take place before this Court, as provided herein and shall only operate prospectively.

26. Any time before the twentieth (20^{th}) day following the service of this Sale Order as provided for above, any Local Governmental Unit may assert a Reserved Dispute by sending a notice explaining the nature of the dispute to the Debtors' and the Hudson Group's counsel. If the Debtors and the objecting Local Governmental Unit (as the case may be, the "Objecting Party") are unable to resolve the Reserved Dispute within fifteen (15) days of receipt of the Objecting Parties notice, either party may file a motion with this Court requesting a resolution

TRADEMARK
REEL: 004066 FRAME: 0636

of the dispute (the "Dispute Resolution Motion"). If such a Dispute Resolution Motion is timely filed, the Debtors and Agent shall each be entitled to assert that the provisions in question are preempted by the Bankruptcy Code and/or that neither the terms of this Order nor the conduct of the Sale violates the Liquidation Sales Law. The timely filing of a Dispute Resolution Motion, will not affect the finality of this Sale Order or limit or interfere with the ability to conduct the Sale. By timely filing a Dispute Resolution Motion, all Governmental Units shall be entitled to assert any jurisdictional, procedural or substantive argument that it might heretofore have been entitled to raise. Any such Dispute Resolution Motion will also be served upon any affected landlord.

27. Nothing herein shall be deemed to constitute a ruling on whether any non-bankruptcy state law, regulation or rule applicable to the Sale is preempted by the Bankruptcy Code nor as to whether the automatic stay applies nor is this Sale Order a ruling with respect to whether sovereign immunity applies.

28. This Court shall retain exclusive jurisdiction with regard to all issues or disputes in connection with the order and the relief provided for herein, including, without limitation, to protect the Debtors, the landlords and/or the Hudson Group from interference with the sale at the Hudson Closed Stores, and to resolve any disputes related to the sales at the Hudson Closed Stores or arising under the Amended Agency Agreement or the implementation thereof.

29. The Hudson Group shall not be liable for any claims against the Debtors other than as expressly provided for in the Amended Agency Agreement or as otherwise provided under this Sale Order.

30. All state and federal laws relating to implied warranties for latent defects shall be complied with and are not superseded by the sale of said goods or the use of the terms "as is" or

TRADEMARK
REEL: 004066 FRAME: 0637

"final sales". The Hudson Group shall accept return of any goods relating to the Hudson Closed Stores that contains a defect which the lay consumer could not reasonably determine was defective by visual inspection prior to purchase for a full refund, provided that the consumer must return the merchandise within the time period proscribed by the Debtors' return policy that was in effect when the merchandise was purchased (except with respect to items purchased during the Sale, in which case such items must be returned within twenty-one (21) days of its purchase), the consumer must provide a receipt, and the asserted defect must in fact be a "latent" defect. The Debtors shall reimburse the Hudson Group for any documented refund attributable to a "latent" defect as part of the weekly sale reconciliation process.

31. The Debtors, the Hudson Group and each of their respective officers, employees and agents be, and they hereby are, authorized to execute such documents and to do such acts as are necessary or desirable to carry out the sale with respect to the Hudson Closed Stores and effectuate the Amended Agency Agreement and the related actions set forth therein.

32. The Hudson Group shall have the right to use the Hudson Closed Stores and all related store services, furniture, fixtures, equipment and other assets of merchant as designated hereunder for the purpose of conducting the sale at the Hudson Closed Stores, in accordance with the provisions of the Amended Agency Agreement through the Sale Termination Date.

33. The Hudson Group shall be granted a limited license and right to use until the termination date of the sale at the Hudson Closed Stores the trade names, logos, customer lists, and e-mail lists relating to and used in connection with the operation of the Hudson Closed Stores, solely for the purpose of advertising the sale at the Hudson Closed Stores in accordance with the terms of the Amended Agency Agreement.

TRADEMARK
REEL: 004066 FRAME: 0638

34. All payments required to be made by the Going Concern Purchaser under the Asset Purchase Agreement, other than the $150,000 funded to the Debtors to be used to satisfy the Cure Amounts, (and the Hudson Group under the Amended Agency Agreement) to the Debtors, shall be remitted by, or at the direction of, the Going Concern Purchaser (and the Hudson Group), as applicable, via wire transfer to the restricted accounts of the Debtors pledged to the Agent and the Lender and applied, first, to pay the Cure Amount obligations up to $150,000 and then pursuant to the terms and conditions of the financing orders entered in these cases (the "Financing Orders"); provided, further, subject to the terms of the Financing Orders, the Going Concern Purchaser (and the Hudson Group) shall be authorized and directed to remit, or cause to be remitted, directly to the Agent for the account of the Agent and the Lender the sales proceeds from the Asset Purchase Agreement (less such sums sufficient to pay the Cure Amounts under the Assumed Contracts and the disputed portions of the Cure Amounts, all of which shall be placed in a separate reserve by the Debtors and payable to such parties as provided herein) (and the Initial Guaranty Payment to the Agent and the Lender and all such other sums otherwise required to be paid to the Debtors under the Amended Agency Agreement), which (after the payment of $150,000 of Cure Amounts) the Agent and the Lender may apply against the Pre-Petition Lender Debt, and thereafter, the Post-Petition Lender Debt, in accordance with the terms and conditions of the Financing Orders. The Guaranty L/C and the Expense L/C, issued by the Hudson Group under the Amended Agency Agreement shall each be issued in favor of the Agent and shall be subject to the approval of the Agent as to both the substantive terms and the conditions to draw thereunder, with the Agent having full rights thereunder to draw pursuant to the terms thereof. Subject to the terms and conditions of the Financing Orders, the Asset Purchase Agreement, the Amended Agency Agreement, the

TRADEMARK
REEL: 004066 FRAME: 0639

Guaranty L/C and the Expense L/C, all sums due under each and every one of such contracts (other than the $150,000 to be used to pay the Cure Amounts), and all proceeds therefrom, shall constitute the collateral (and "cash collateral") of the Agent and the Lender and shall be payable to the Agent and the Lender pursuant to the terms of the Financing Orders. Notwithstanding any limitations or restrictions in the Asset Purchase Agreement or the Amended Agency Agreement in connection with the assignment of such agreements, but subject to the terms of the Financing Orders, the Agent and the Lender shall nonetheless, by the terms of this Sale Order, receive a collateral assignment of all rights under such agreements with the full power to enforce directly such agreements (subject to compliance with the notice, hearing, and cure provisions set forth in the Financing Orders) following the occurrence of an "Event of Default" thereunder, and any such prohibitions against such assignments, if any, of the Asset Purchase Agreement and the Amended Agency Agreement shall be null and void. Notwithstanding the foregoing, upon the receipt by the Agent and the Lender of the Initial Guaranty Payment and such other amounts of sales proceeds from the Asset Purchase Agreement, the Debtors shall (i) receive an advance of $480,000 from the Agent and the Lender under the debtor-in-possession credit facility and pursuant to the Financing Orders and the budget thereto; (ii) upon the sale or disposition of the Texas Collateral[11], the liens and priorities of the Texas Ad Valorem Taxing Authorities shall attach to the gross proceeds of sale of such assets sold under the Asset Purchase Agreement (and the amounts due the Debtors under the Amended Agency Agreement) in the same order of priority and with the same effectiveness as those liens existed against the Texas Collateral prior to such sale or disposition, and promptly following the sale or disposition of the Texas Collateral, (iii) the Debtors shall receive an advance and thereafter set aside in a

[11] The "Texas Collateral" shall mean the inventory, furniture, fixtures, equipment, and other tangible business

TRADEMARK
REEL: 004066 FRAME: 0640

separate segregated account an amount equal to $480,000, of which (a) $226,895.46 of such sum shall be placed in a sub-reserve for the Texas Ad Valorem Taxing Authorities represented by Linebarger, Goggan, Blair & Sampson, LLP, and (b) $19,926.77 of such sum shall be placed in a sub-reserve for the Fort Worth Independent School District represented by Scot Pierce, all of whose liens shall attach to the funds with the same priority that they attached to the Texas Collateral, however, the amount of the funds in the two "sub-reserves" established above segregated account shall not limit or other be dispositive of the amount of the claims of the Texas Ad Valorem Taxing Authorities; (iv) the Debtors shall distribute payment of the unpaid ad valorem taxes due the Ad Valorem Taxing Authorities prior to December 31, 2008, to the extent that the Debtors do not dispute such tax amounts asserted by the applicable taxing authorities on account of their Senior Tax Liens in accordance with their pre-petition practices and in their business judgment; and, (v) to the extent that the ad valorem taxes due the Ad Valorem Taxing Authorities have been satisfied in full, the balance of such funds in the separate segregated account may be returned to the Debtors' general operating accounts. The Debtors shall set forth in their budget attached to the final financing order the respective amounts due each of the Ad Valorem Taxing Authorities.

35. Upon payment of the Initial Guaranty Payment as provided in the Amended Agency Agreement and issuance of the Guaranty L/C and the Expense L/C, the Hudson Group shall have a first priority security interest in and lien upon (i) the merchandise at the Hudson Closed Stores; and (ii) the sales proceeds from the Hudson Closed Stores to secure all obligations of the Debtors to the Hudson Group under the Amended Agency Agreement; provided, however, until the payment of the Remaining Guaranteed Amount, Expenses, and the

---

personal property owned by the Debtors and located in Texas.

TRADEMARK
REEL: 004066 FRAME: 0641

Recovery Amount (if any), in full (collectively, the "Hudson Group's Payment Obligations"), the security interest granted to the Hudson Group hereunder shall remain junior and subordinate in all respects to the Debtors' rights to receive payment of the Hudson Group's Payment Obligations, and the liens and security interests of the Agent and the Lender, in each case to the extent of the unpaid portion of the Hudson Group's Payment Obligations; provided, however, that notwithstanding anything to the contrary set forth herein, the liens of the Agent and the Lender under the Financing Orders shall nonetheless be senior in all respects to the liens of the Hudson Group until the Agent and the Lender have received the Guaranty Payment, the Guaranty L/C, and the Expense L/C. Upon entry of this Sale Order, the security interests granted hereby shall be properly perfected without the need for further filings or further documentation. Notwithstanding anything to the contrary herein, the Hudson Group's Payment Obligations shall only be secured by the assets at the Hudson Closed Stores and the Distribution Center Merchandise.

36. Subject to the Hudson Group having satisfied the Hudson Group's Payment Obligations, any amounts owed by the Debtors to the Hudson Group under the Amended Agency Agreement shall be granted the status of superpriority claims in these chapter 11 cases pursuant to Bankruptcy Code section 364(a).

37. The provisions of this Sale Order, the Asset Purchase Agreement, and the Amended Agency Agreement and any actions taken pursuant hereto or thereto shall survive entry of any order which may be entered confirming or consummating any plan of reorganization of the Debtors, or which may be entered converting Debtors' cases from chapter 11 to chapter 7, and the terms and provisions of the Asset Purchase Agreement and the Amended Agency Agreement as well as the rights and interests granted pursuant to this Sale

TRADEMARK
REEL: 004066 FRAME: 0642

Order, Asset Purchase Agreement, and Amended Agency Agreement shall continue in this or any superseding cases and shall be binding upon the Debtors, the Going Concern Purchaser, the Hudson Group and their respective successors and permitted assigns, including any trustee or other fiduciary hereafter appointed as a legal representative of the Debtors under chapter 7 or chapter 11 of the Bankruptcy Code. Any trustee appointed in these cases shall be and hereby is authorized to operate the business of the Debtors to the fullest extent necessary to permit compliance with the terms of this Sale Order, the Asset Purchase Agreement, and the Amended Agency Agreement. Further, the Going Concern Purchaser, the Hudson Group, and the trustee shall be and hereby are authorized to perform under the Asset Purchase Agreement and the Amended Agency Agreement, upon the appointment of a trustee without the need for further order of this Court. In the event the chapter 7 trustee determines that it needs further order of this Court in connection with the continued operation of the business, such motion shall be heard on an expedited basis.

38. Within three (3) business days of the Debtors receipt of a Vacate Notice for one or more of the Hudson Closed Stores pursuant to Section 6.1 of the Amended Agency Agreement, the Debtors shall electronically file a notice of sale termination date with this Court, and shall serve a copy of such notice on the affected landlord(s) for the subject Store; provided however, such notice shall not serve as a rejection of the lease for such named Store, and the Debtors shall have no obligation to serve such notice on the affected landlords or any other party in interest. In the event of an agreement between the Debtors, the Hudson Group and the applicable landlord to extend the Sale at a Store beyond February 15, 2009, the Debtors shall electronically file a notice of such extension, and mail a copy of such notice to the affected landlord, counsel to the Agent and the Lender, counsel to the Creditors' Committee, the U.S.

TRADEMARK
REEL: 004066 FRAME: 0643

Trustee, the Attorney(s) General for the State(s) in which the subject Store is located, with such parties having the right to object to such extension and to seek an expedited hearing before this Court.

39. The Hudson Group shall have the right to use the Hudson Closed Stores as provided for in the Amended Agency Agreement, without interference from any landlord, through the Sale Termination Date.

40. The Owned FF&E remaining in the Hudson Closed Stores as of the Sale Termination Date shall, unless the affected lessor has been previously notified in writing by the Debtors to the contrary at least three (3) days prior to the Sale Termination Date, be deemed abandoned by the Debtors and/or the Hudson Group; provided however, the Debtors shall provide any known third party holding or asserting a Lien or other interest in such Owned FF&E, including taxing authorities, with five (5) days' prior notice of such abandonment and if such third party fails to remove such Owned FF&E or to make arrangements to remove such Owned FF&E within such time as is deemed acceptable to the affected landlord prior to the expiration of such five (5) day notice period, such Owned FF&E shall be deemed abandoned by such third party and the affected Landlord may dispose of such property without liability to them or any third party.

41. Before any sale, abandonment or other computers (including software) and/or cash registers and any other point of sale Owned FF&E (collectively, the "POS Equipment"), which may contain Personally Identifiable Information, the Debtors shall remove or cause to be removed the Personally Identifiable Information from the POS Equipment.

42. The Hudson Group shall be permitted to include in the Sale at the Hudson Closed Stores the Additional Agent Merchandise in accordance with the terms and provisions of

TRADEMARK
REEL: 004066 FRAME: 0644

the Amended Agency Agreement, and to the extent that the Hudson Group complies with Section 8.10(c) of the Amended Agency Agreement, the Hudson Group shall be deemed to be in compliance with the Liquidation Sale Laws and consumer protection laws (including consumer laws relating to deceptive practices and false advertising).

43. This Sale Order constitutes an authorization of conduct at the Hudson Closed Stores by the Debtors and nothing contained herein shall be deemed to constitute a ruling with regard to the sovereign immunity of any state, and the failure of any state to object to the entry of this Order shall not operate as a waiver with respect thereto.

44. To the extent, if any, anything contained in this Sale Order conflicts with a provision in the Amended Agency Agreement, the Sale Guidelines, or the Asset Purchase Agreement, this Sale Order shall govern and control. This Court shall retain jurisdiction with respect to any matters, claims, rights, or disputes arising from or related to the implementation of this Sale Order.

45. To the extent that the disposition of the assets under the Amended Agency Agreement would constitute the sale of an interest in a consumer credit transaction that is subject to the Truth in Lending Act or an interest in a consumer credit contract (as defined in section 433.1 of title 16 of the Code of Federal Regulations (January 1, 2004), as amended from time to time, then the purchaser shall remain subject to all claims and defenses that are related to such consumer credit transaction or such consumer credit contract, to the same extent as such person would be subject to such claims and defenses of the consumer had such interest been purchased at a sale not under this paragraph.

46. Gift certificates, gift cards, and merchandise credits issued by the Debtors prior to the Sale Commencement Date (as defined in the Amended Agency Agreement) shall be

TRADEMARK
REEL: 004066 FRAME: 0645

accepted at the Hudson Closed Stores and honored by the Hudson Group at the Hudson Closed Stores during the Sale Term as provided in the Amended Agency Agreement. The Debtors shall reimburse the Hudson Group for any gift certificates, gift cards, and merchandise credits honored at the Hudson Closed Stores during the Sale as part of the weekly sale reconciliation process.

47. Nothing in this Order shall (a) alter or affect the Debtors' obligation to comply with section 365(d)(3) of the Bankruptcy Code or (b) alter or modify the rights of any lessor or other counterparty to a Lease with the Debtors to file an appropriate motion or otherwise seek appropriate relief if the Debtors fail to comply with section 365(d)(3) of the Bankruptcy Code.

48. The transactions contemplated by the Amended Agency Agreement and the Asset Purchase Agreement are not subject to avoidance pursuant to section 363(n) of the Bankruptcy Code.

49. Notwithstanding Bankruptcy Rules 6004, and 6006, this Order shall be effective and enforceable immediately upon entry and its provisions shall be self-executing. In the absence of any person or entity obtaining a stay pending appeal, the Debtors, the Going Concern Purchaser, and the Hudson Group are free to perform under the Asset Purchase Agreement and the Amended Agency Agreement at any time, subject to the terms of the Asset Purchase Agreement and the Amended Agency Agreement and the Going Concern Purchaser and the Hudson Group shall be afforded the protections of section 363(m) of the Bankruptcy Code as to all aspects of the transactions under and pursuant to the Asset Purchase Agreement and the Amended Agency Agreement if this Order or any authorization contained herein is reversed or modified on appeal.

TRADEMARK
REEL: 004066 FRAME: 0646

50. The Going Concern Purchaser and the Hudson Group are parties in interest and shall have the ability to appear and be heard on all issues related to or otherwise connected to the Asset Purchase Agreement and the Amended Agency Agreement and the conduct of the Sale at the applicable Stores.

51. Nothing in this Sale Order shall alter any statutory priorities respecting the tax claims of governmental entities, to the extent any such claims are valid, senior, due and owing, and become allowed claims under applicable law.

52. Subject to the entry of an order approving the "success fee" due Clear Thinking Group, LLC pursuant to section 328 of the Bankruptcy Code, Clear Thinking Group, LLC shall be entitled to the sum of $100,000 by reason of its efforts in connection with the closing of such going concern transactions under the Asset Purchase Agreement.

53. Pursuant to the terms of the Bid Procedures Order, the Hudson Group shall be entitled to "break-up fee" in the amount of $125,000.

54. Notwithstanding the Notice of Cure Amounts filed by the Debtors and served upon the landlords, pursuant to the Bid Procedures Order, the cure amount set forth on such schedule shall not be binding upon those landlords whose leases have not been assumed by the Going Concern Purchaser under the terms hereof; provided, further, all cure amounts set forth with respect to the Assumed Contracts, as a schedule to the Asset Purchase Agreement, shall be the correct and binding cure amounts.

TRADEMARK
REEL: 004066 FRAME: 0647

55. As adequate protection of the interests of Kestrel Capital, L.P., as agent for itself and the Junior Lien Creditors (collectively, "Kestrel")[12], and Miller International, Inc. ("Miller")[13], upon the sale or disposition of the respective collateral of Kestrel and Miller, (i) the liens and security interests of each of Kestrel and Miller shall attach to the sales proceeds in the same order of priority, and with the same effectiveness, as existed prior to the sale or disposition; (ii) the Debtors shall keep detailed records identifying the amount of inventory (and allocable purchase price related thereto) subject to the asserted third-priority liens of Miller; (iii) such fixtures (the "Miller Fixtures") identified more fully in an exhibit to the objection of Miller, filed with this Court on Friday, November 21, 2008, shall not be sold by or transferred by the Debtors to any third party, without a further order of this Court; and (iv) the Debtors shall provide to Miller seven (7) days prior notice of the intended vacation of the lease premises where the Miller Fixtures are located, and such parties shall thereafter cooperate to enable Miller to repossess the Miller Fixtures; provided, however, such removal shall not take place until the Hudson Group has completed the sale at the subject Hudson Closed Stores; provided, further, to the extent that any damage occurs on account of the actions of Miller in the repossession of the Miller Fixtures, Miller shall be liable for such damages (with this Court retaining jurisdiction over Miller to enforce such provision).

56. Notwithstanding the provisions with respect to the governing Sale Guidelines set forth herein (including Exhibit 3 hereto), the Hudson Group shall be bound to comply with such

---

[12]Kestrel maintains that it has second-priority liens and security interests on substantially all of the Debtors' assets, wherever located, subject to the ad valorem taxes which may be senior to such liens pursuant to applicable law.

[13] Miller maintains that it has third-priority liens and security interests on certain of the Debtors' inventory sold by Miller to the Debtors prior to the Petition Date (together with proceeds therefrom), subject to the ad valorem taxes

TRADEMARK
REEL: 004066 FRAME: 0648

side-letter agreements with certain landlords, which agreements have been executed by such applicable landlords and the Hudson Group, with copies made available to the Debtors, the Agent and the Lender, and the Creditors Committee.

Waiver of Ten-Day Stay

57. This Sale Order shall be effective and enforceable immediately upon signature and shall not be stayed pursuant to Bankruptcy Rule 6004(h) and the Debtors, the Going Concern Purchaser, and the Hudson Group are authorized to close the transactions contemplated by the Asset Purchase Agreement and the Amended Agency Agreement immediately, subject to the conditions set forth in the Amended Agency Agreement.

Retention of Jurisdiction

58. This Court retains jurisdiction to interpret and enforce this Sale Order, the Asset Purchase Agreement, and the Amended Agency Agreement, and to adjudicate, if necessary, any and all disputes concerning or relating in any way to, or affecting, any of the transactions contemplated by such agreements, including, without limitation, the conduct of the Sales at the Hudson Closed Stores.

59. Any agreements approved herein may be modified or amended without further order of this Court (provided that such amendment has been approved in writing by the Debtors, the Agent, the Lender, the Creditors' Committee, and either the affected Going Concern Purchaser or the Hudson Group), except that Court approval shall be required if such

---

which may be senior to such liens pursuant to applicable law. Further, Miller maintains that there are certain fixtures that continue to be owned by Miller and were placed in certain of the Debtors' retail stores.

TRADEMARK
REEL: 004066 FRAME: 0649

amendment or modification has a material negative effect on the Debtors or their estates or that is in contravention of this Sale Order.

END OF ORDER # #

Submitted by:

Michael D. Warner (TX Bar No. 00792304)
Alexandra P. Olenczuk (TX Bar No. 24033924)
WARNER STEVENS, L.L.P.
301 Commerce Street, Suite 1700
Fort Worth, TX 76102
Tel: (817) 810-5250
Fax: (817) 810-5255
Email: mwarner@warnerstevens.com
Email: aolenczuk@warnerstevens.com

Attorneys for the Debtors
and Debtors in Possession

RECORDED: 09/23/2009
TRADEMARK
REEL: 004066 FRAME: 0650