

**TRADEMARK ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	ASSIGNS THE ENTIRE INTEREST AND THE GOODWILL		
<b>CONVEYING PARTY DATA</b>			
<b>Name</b>	<b>Formerly</b>	<b>Execution Date</b>	<b>Entity Type</b>
3 Day Blinds, Inc.		02/19/2009	CORPORATION: CALIFORNIA
<b>RECEIVING PARTY DATA</b>			
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<b>Street Address:</b>	345 California Street, Suite 3300		
<b>City:</b>	San Francisco		
<b>State/Country:</b>	CALIFORNIA		
<b>Postal Code:</b>	94104		
<b>Entity Type:</b>	CORPORATION: DELAWARE		
<b>PROPERTY NUMBERS Total: 1</b>			
<b>Property Type</b>	<b>Number</b>	<b>Word Mark</b>	
<b>Serial Number:</b>	77396930	YOU'LL LOVE THE TREATMENT	
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**ASSET PURCHASE AGREEMENT**

**BY AND AMONG**

**TPG-ROSEWOOD ACQUISITION, CORP.,**

**as Purchaser,**

**TPG VENTURES, L.P.,**

**ROSEWOOD CAPITAL IV ASSOCIATES, L.P.,**

**AND**

**ROSEWOOD CAPITAL IV LP**

**as Lenders,**

**and**

**3 DAY BLINDS, INC.**

**as Seller**

**Dated as of February 19, 2009**

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## SCHEDULES

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**PURCHASER'S DISCLOSURE SCHEDULE**

Section 5.3(a)  
Section 5.3(b)

Conflicts  
Consents of Third Parties

## ASSET PURCHASE AGREEMENT

**ASSET PURCHASE AGREEMENT** (this "Agreement"), dated as of February 19, 2009 (the "Execution Date"), by and among 3 Day Blinds, Inc., a Delaware corporation ("Seller"), and TPG Ventures, L.P., a Delaware limited partnership ("TPG"), Rosewood Capital IV Associates, L.P., a Delaware limited partnership ("Rosewood Associates"), Rosewood Capital IV LP, a Delaware limited partnership ("Rosewood LP" and together with TPG and Rosewood Associates, collectively the "Lenders") and TPG-Rosewood Acquisition, Corp., a Delaware corporation, (the "Purchaser"). Certain capitalized terms used herein are defined in Article X.

### RECITALS

WHEREAS, Seller currently operates the Business (as defined herein) and the Purchaser desires to purchase the Business;

WHEREAS, the Seller is a debtor and debtor in possession in that certain bankruptcy case under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§101 et seq. (the "Bankruptcy Code") filed on October 21, 2008 in the United States Bankruptcy Court for the Central District of California – Santa Ana Division (the "Bankruptcy Court"), Case No. SA 08-16696-ES (the "Chapter 11 Case"); and

WHEREAS, in connection with the Chapter 11 Case and subject to the terms and conditions contained herein and following the entry of the Sale Order (as defined herein) finding the Purchaser as the winning bidder and subject to the terms and conditions thereof, Seller shall sell, transfer and assign to the Purchaser, and the Purchaser shall purchase and acquire from Seller, pursuant to Sections 105, 363 and 365 of the Bankruptcy Code, the Purchased Assets, and assume from Seller the Assumed Liabilities (as defined herein), all as more specifically provided herein and in the Sale Order.

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, warranties, covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Purchaser and Seller hereby agrees as follows:

### ARTICLE I.

#### PURCHASE AND SALE OF ASSETS; ASSUMPTION OF LIABILITIES

1.1 Purchase and Sale of Assets. Pursuant to Sections 105, 363 and 365 of the Bankruptcy Code and on the terms and subject to the conditions set forth in this Agreement and the Sale Order, the Purchaser shall purchase, acquire and accept from the Seller, and Seller shall sell, transfer, assign, convey and deliver to the Purchaser, on the Closing Date all of the Seller's right, title and interest in, to and under, free and clear of all Encumbrances (other than Encumbrances included in the Assumed Liabilities and Permitted Encumbrances), the assets, properties and rights of any nature, tangible and intangible, real or personal, wherever located, of the Seller with respect to those assets as set forth in this Section 1.1 below, but in all cases excluding the Excluded Assets (collectively, the "Purchased Assets");

(a) (i) those Contracts with Seller's suppliers and vendors as set forth on Schedule 2 attached hereto, and all rights pursuant thereto, and any other such Contract added to the list of Assumed Contracts in accordance with Section 1.5 (collectively, the "Assumed Contracts"), and all of Seller's relationships with its customers as of the Closing Date;

(b) all Accounts Receivable;

(c) all Cash and Cash Equivalents, whether on hand, in transit or in banks or other financial institutions, security entitlements, securities accounts, commodity contracts and commodity accounts and including any cash collateral that is collateralizing any letters of credit issued pursuant to the DIP Loan Documents or any other letter of credit, or obligation with respect thereto, assumed by the Purchaser, but excluding the following ("Excluded Cash"): (1) any cash tendered as part of the Purchase Price or as provided in the Sale Order (as defined below), including, without limitation, the Deposit (as defined herein); (2) \$250,000.00 representing the cash tendered under the DIP Loan Documents in connection with the Carve Out Amount (as defined in the DIP Loan Documents); (3) any cash required to pay any checks of Seller in transit as of the Closing Date; and (4) subject to the terms and conditions of Section 8.10(a) below, the amount of any payroll obligation of Seller up to the Closing Date.

(d) all Documents used in or directly relating to the Purchased Assets or Assumed Liabilities, including but not limited to, the Assumed Customer Contracts, products, services, marketing, advertising and promotional activities, trade shows and all files, supplier lists, vendor lists, records, literature and correspondence with sufficient detail as reasonably available;

(e) all deposits and prepaid expenses of Seller relating to the Purchased Assets, including but not limited to (i) security deposits with third party suppliers, vendors or service providers, ad valorem taxes and lease and rental payments (other than in connection with any Excluded Assets), (ii) rebates, (iii) tenant reimbursements, (iv) pre-payments and (v) those deposits and pre-paid expenses set forth on Schedule 1.1(e);

(f) all Equipment, including, without limitation, the Equipment set forth on Schedule 3 attached hereto, and further including, without limitation, any Equipment added to the list of Equipment in accordance with Section 1.5 (the "Equipment");

(g) the leases and subleases for personal property set forth on Schedule 4 (the "Assumed Personal Property Leases");

(h) the name "3 Day Blinds" and any derivations thereof (the "Purchased Names"), subject to the terms of Section 8.1(c) below;

(i) all leases and subleases for the Leased Real Property set forth on Schedule 5, including all of Seller's right, title and interest in and thereto and any other such leases and subleases added to the list of Assumed Real Property Leases in accordance with Section 1.5 (such leases and subleases, the "Assumed Real Property Leases" and the underlying Leased Real Property, the "Assumed Leased Real Property");

(j) Contracts set forth on Schedule 6, which contracts represent contracts between the Seller and any independent contractors who are not employees of Seller but who have been retained to render services (i) on behalf of Seller or (ii) on behalf of third parties where the Seller acts as an intermediary or broker, including, in each case, contracts with (x) owner-operators, (y) independent sales agents and (z) qualified third-party carriers (collectively, the "Assumed Independent Contractor Contracts");

(k) to the extent assignable or transferable in accordance with the terms and conditions of such Permits and/or pending applications therefore or applicable Law, all Permits and all pending applications therefore, including, without limitation, the Material Permits (the "Assumed Permits");

(l) all rights under non-disclosure or confidentiality, non-compete, or non-solicitation agreements related to the Purchased Assets, agents or with third parties, including without limitation, the Acquired Customers;

(m) all rights, claims, credits, causes of action or rights of set off against third parties relating to the Purchased Assets (including, for the avoidance of doubt, those arising under, or otherwise relating, to the Assigned Contracts) or Assumed Liabilities, including rights under vendors' and manufacturers' warranties, indemnities, guaranties;

(n) any counterclaims, setoffs or defenses that Seller may have with respect to any Assumed Liabilities;

(o) except as contemplated by Section 1.2, to the extent assignable or transferable in accordance with the terms and conditions of the applicable insurance policies or applicable Law, (i) all of Seller's insurance policies and rights and benefits thereunder (including, without limitation, (A) all rights pursuant to and proceeds from such insurance policies and (B) all claims, demands, proceedings and causes of action asserted by the Seller under such insurance policies relating directly to any Purchased Asset or Assumed Liability) and (ii) any letters of credit related thereto;

(p) all copies of Tax Returns or Tax Records of Seller;

(q) any claim, right or interest of the Seller in or to any refund, rebate, abatement or other recovery for Taxes with respect to the Business or the Purchased Assets, together with any interest due thereon or penalty rebate arising therefrom, for any Tax period (or portion thereof) ending on or before the Closing Date;

(r) (i) all of the Seller's right, title and interest in and to the Seller's Intellectual Property listed on Schedule 1.1(r) (collectively, the "Assumed Intellectual Property"), provided, however, that the parties expressly acknowledge and agree that Seller may continue to use the names "3 Day Blinds" and "3 Day Blind, Inc.", subject to the terms of Section 8.1(c) below, and (ii) all Contracts pursuant to which the Seller is granted a license to, or any rights under, any Intellectual Property of any third Person and all Contracts pursuant to which the Seller grants to a third Person a license to, or any rights under, the Seller Intellectual Property, including the Contracts listed on Schedule 1.1(r) (the "Assumed Intellectual Property Licenses") and, together with the Assumed Contracts, the Assumed Personal Property Leases, the

Assumed Real Property Leases and the Assumed Independent Contractor Contracts, the "Assigned Contracts");

(s) all Rights of Indemnity (as defined herein) pursuant to the Assigned Contracts;

(t) all goodwill and other intangible assets associated with the Business or the Purchased Assets;

(u) copies (at Purchaser's sole cost and expense) of all Documents relating to formation, qualifications to conduct business as a foreign corporation or other legal entity, arrangements with registered agents relating to foreign qualifications, taxpayer and other identification numbers, seals, minute books, stock transfer books, stock ledgers, stock certificates, by-laws and other documents relating to the organization and existence of the Seller as a corporation or other legal entity, as applicable (together with analogous documentation);

(v) all Inventory used or held for use in the operation of the Business; and

(w) all loans and other indebtedness payable to the Seller.

1.2 Excluded Assets. Notwithstanding anything to the contrary contained herein, the Purchaser shall not include any and all of Seller's right, title and interest in the following (collectively, the "Excluded Assets"): (a) all assets of Seller other than the Purchased Assets, including, without limitation, the Excluded Cash; (b) Seller's books and records; (c) any and all claims, deposits, prepayments, refunds, rebates, causes of action, rights of recovery, rights of set-off and rights of recoupment relating to (i) any assets other than Purchased Assets; (ii) any claims and causes of action under Section 544 through 550 of the Bankruptcy Code; (iii) any other claims or causes of action under any other provision of the Bankruptcy Code and applicable law except any claims or causes of action relating to Purchased Assets, and (iv) those assets as may be listed from time to time on Schedule 1.2.

1.3 Assumption of Liabilities. On the terms and subject to the conditions set forth in this Agreement and the Sale Order, the Purchaser shall assume all of the following Liabilities of the Seller whether arising prior to, on or after the Closing Date, but in all cases excluding the Excluded Liabilities (collectively, the "Assumed Liabilities"):

(a) any and all Liabilities of the Seller under each Assigned Contract arising prior to, on or after the Closing Date, provided that each Assigned Contract must be assumed and assigned in accordance with the procedures set forth in the Sale Order;

(b) any and all Liabilities for Taxes (other than Income Taxes) owing from and after the Closing Date, including, without limitation, Liabilities for Taxes attributable to the ownership of the Purchased Assets from and after the Closing Date;

(c) all Liabilities arising under the DIP Loan Documents to the extent that such Liabilities are not repaid pursuant to Section 2.1 of this Agreement;

(d) to the extent not otherwise used by TPG-Rosewood as part of its credit bid, \$20 million of senior secured debt pursuant to the Amended and Restated Credit Agreement among 3 Day Blinds Holding, Inc. and TPG-Rosewood, as successor to CIT Lending Services Corporation dated as of July 7, 2006 (the “Assumed Debt”);

(e) all of the following claims (collectively, “Wage Priority Claims”): (1) all pre-petition priority claims under Bankruptcy Code Section 507(a)(4) up to the maximum amount as set forth therein solely relating to the payment of wages, salaries and commissions (and specifically excluding any claims relating to vacation, severance and sick leave, which shall be deemed Excluded Liabilities hereunder), and (2) all post-petition administrative claims under Bankruptcy Code Section 503(b)(1)(A)(1) in the full amount of such claims solely relating to the payment of wages, salaries and commissions (and specifically excluding any claims relating to vacation, severance and sick leave, which shall be deemed Excluded Liabilities hereunder);

(f) all obligations of Seller with respect to payroll and other payroll obligations for the payroll periods ending February 21, 2009 and thereafter; and

(g) all Liabilities set forth on Schedule 1.3(g).

1.4 Excluded Liabilities. The Purchaser shall not assume, and shall not be deemed to have assumed, any liabilities other than those set forth in Section 1.3 (collectively, the “Excluded Liabilities”).

1.5 Cure Costs; Disclosure Schedule Updates.

(a) Notwithstanding anything in this Agreement to the contrary, the Purchaser may revise any Disclosure Schedule setting forth the Purchased Assets and the Excluded Assets to (i) include in the definition of Purchased Assets (pursuant to the applicable Schedule) and to exclude from the definition of Excluded Assets, any Contract of the Seller, but not previously included in the Purchased Assets, at any time reasonably in advance of the Sale Hearing and require Seller to give notice to the parties to any such Contract and (ii) to exclude from the definition of Purchased Assets (pursuant to the applicable Schedule) and to include in the definition of Excluded Assets, any Assigned Contract or other asset of the Seller previously included in the Purchased Assets and not otherwise included in the definition of Excluded Assets, at any time reasonably in advance of the Sale Hearing; provided that no such change of the Disclosure Schedule, the definition of the Purchased Assets or the definition of the Excluded Assets shall reduce the amount of cash component of the Purchase Price or permit Purchaser to terminate this Agreement and its obligations hereunder. If any Contract is added to (or excluded from) the Purchased Assets as permitted by this Section 1.5(a), Seller shall promptly take such steps as are reasonably necessary, including, if applicable, determining the amount of payment of Cure Costs or adequate assurance of payment of all Cure Costs to be made by Purchaser promptly following the Closing, and promptly deliver notice of such action, including, without limitation, the determination of the amount of payment of Cure Costs or adequate assurance of payment of Cure Costs, to the non-debtor counterparty, to cause such Contracts to be assumed by Seller, and assigned to Purchaser, on the Closing Date (or excluded under the Sale Order and this Agreement).

(b) Any Cure Costs due with respect to the Assigned Contracts shall be promptly paid by Purchaser to the non-debtor counter-parties to such assigned Contracts and such payment shall be a condition precedent, or antecedent, as the case may be, to (i) the assumption by Seller of such Assigned Contracts; and (ii) the assumption and assignment of the Assigned Contracts to the Purchaser.

1.6 “As Is” Transaction. PURCHASER HEREBY ACKNOWLEDGES AND AGREES THAT, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN ARTICLE IV OF THIS AGREEMENT, THE SELLER MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO ANY MATTER RELATING TO THE PURCHASED ASSETS. WITHOUT IN ANY WAY LIMITING THE FOREGOING, SELLER HEREBY DISCLAIMS ANY WARRANTY, EXPRESS OR IMPLIED, OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE AS TO ANY PORTION OF THE PURCHASED ASSETS. PURCHASER FURTHER ACKNOWLEDGES THAT PURCHASER HAS CONDUCTED AN INDEPENDENT INSPECTION AND INVESTIGATION OF THE PHYSICAL CONDITION OF THE PURCHASED ASSETS AND ALL SUCH OTHER MATTERS RELATING TO OR AFFECTING THE PURCHASED ASSETS AS PURCHASER DEEMED NECESSARY OR APPROPRIATE AND THAT IN PROCEEDING WITH ITS ACQUISITION OF THE PURCHASED ASSETS, EXCEPT FOR ANY REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH IN ARTICLE IV HEREOF, PURCHASER IS DOING SO BASED SOLELY UPON SUCH INDEPENDENT INSPECTIONS AND INVESTIGATIONS. ACCORDINGLY, PURCHASER WILL ACCEPT THE PROPERTY AT THE CLOSING “AS IS,” “WHERE IS,” AND “WITH ALL FAULTS.”

## ARTICLE II.

### CONSIDERATION

#### 2.1 Consideration.

(a) The aggregate consideration (collectively, the “Purchase Price”) to be paid for the purchase of the Purchased Assets shall be:

(i) the release of Seller and any guarantors (and their respective successors and assigns) under the prepetition credit agreement between Seller and Lenders, as successors to CIT Lending Services Corporation (“CIT”), dated as of July 7, 2006 (the “Prepetition Credit Facility”) of obligations, claims, liabilities, debts, costs, expenses and demands arising under, or otherwise relating to, the Prepetition Credit Agreement in an amount equal to \$4,750,000.00 (collectively, the “Credit Bid and Release”); plus

(ii) \$250,000.00 in cash or financing commitments (the “Cash Component”), of which \$100,000 shall be paid to Seller by Purchaser in accordance with the terms set forth in the Bidding Procedure Order (the “Deposit”), and the balance of \$150,000 shall be paid at the Closing as set forth herein; plus



(iii) to the extent not used by Lenders as part of the Credit Bid and Release, the assumption by the Purchaser of \$20,000,000.00 of the obligations due and under the Prepetition Credit Facility (the "Assumed Debt"); and

(b) In addition to the foregoing consideration, as consideration for the grant, sale, assignment, transfer and delivery of the Purchased Assets, the Purchaser shall assume and discharge the Assumed Liabilities.

### ARTICLE III.

#### CLOSING AND TERMINATION

3.1 Closing. Subject to the satisfaction of the conditions set forth in Sections 9.1, 9.2 and 9.3 hereof or the waiver thereof by the party entitled to waive the applicable condition, the closing of the purchase and sale of the Purchased Assets, the delivery of the Purchase Price, the assumption of the Assumed Liabilities and the consummation of the other transactions contemplated by this Agreement (the "Closing") shall take place at the corporate offices of Seller as set forth in Section 12.7 below (or at such other place as the parties may designate in writing) on or before the Outside Date (as defined below), unless another time or date, or both, are agreed to in writing by the parties. The date on which the Closing shall be held is referred to in this Agreement as the "Closing Date." Unless otherwise agreed by the parties in writing, the Closing shall be deemed effective and all right, title and interest of the Seller in the Purchased Assets to be acquired by the Purchaser hereunder shall be considered to have passed to the Purchaser and the assumption of all of the Assumed Liabilities shall be considered to have occurred as of 12:01 a.m. Eastern Time on the Closing Date.

3.2 Closing Deliveries by Seller. At the Closing, Seller shall deliver to the Purchaser:

(a) a duly executed bill of sale with respect to the Purchased Assets, substantially in the form attached hereto as Exhibit A;

(b) a duly executed assignment and assumption agreement with respect to the Assumed Liabilities, substantially in the form attached hereto as Exhibit B;

(c) a true and correct copy of the Sale Order;

(d) a duly executed non foreign person affidavit of the Seller dated as of the Closing Date, sworn under penalty of perjury and in form and substance required under the Treasury Regulations issued pursuant to Section 1445 of the Code, stating that the Seller is not a "foreign person" as defined in Section 1445 of the Code;

(e) the officer's certificates required to be delivered pursuant to Sections 9.3(b) and 9.3(c);

(f) the Accounts Receivable List required pursuant to Section 4.21;

(g) satisfactory resolution of any disputes regarding the Cure Costs to be assumed by Purchaser (or establishment of appropriate reserves therefore) in accordance with the procedures set forth in the Sale Order; and

(h) all other previously undelivered certificates, agreements and other documents required by this Agreement to be delivered by Seller at or prior to the Closing in connection with the transactions contemplated by this Agreement.

3.3 Closing Deliveries by the Purchaser. At the Closing, the Purchaser shall deliver to (or at the direction of) Seller:

(a) the Purchase Price, in the form of (i) the Credit Bid and Release (including documentation reasonably acceptable to Seller evidencing reduction of indebtedness in the amount of such credit bid); (ii) the Cash Component; and (iv) documentation reasonably acceptable to Seller evidencing assumption by the Purchaser of the Assumed Debt;

(b) a duly executed assignment and assumption agreement substantially in the form attached hereto as Exhibit B;

(c) the officer's certificates required to be delivered pursuant to Sections 9.2(a) and 9.2(b); and

(d) all other previously undelivered certificates, agreements and other documents required by this Agreement to be delivered by the Purchaser at or prior to the Closing in connection with the transactions contemplated by this Agreement.

3.4 Termination of Agreement. This Agreement may be terminated as follows:

(a) by the mutual written consent of Seller and the Purchaser at any time prior to the Closing;

(b) by either the Purchaser or Seller, if the Closing shall not have been consummated prior to March 2, 2009 (the "Outside Date"); provided, however, that such date may be extended by mutual agreement signed by both Seller and Purchaser;

(c) by either the Purchaser or Seller, if there shall be any Law that makes consummation of the transactions contemplated hereby illegal or otherwise prohibited, or there shall be in effect a final non-appealable order of a Governmental Body of competent jurisdiction restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated hereby; it being agreed that the parties hereto shall promptly appeal any adverse determination which is appealable (and pursue such appeal with reasonable diligence);

(d) by the Purchaser, if the Chapter 11 Case is dismissed or converted to a case or cases under Chapter 7 of the Bankruptcy Code, or if a trustee or examiner to operate or manage the financial affairs, the business or the reorganization of Seller is appointed in the Chapter 11 Case;

(e) by either the Purchaser or Seller, if (A) the Sale Order shall not have been approved by the Bankruptcy Court by the close of business on February 27, 2009 or (B) following its entry, the Sale Order shall fail to be in full force and effect or shall have been stayed, reversed, modified or amended in any respect without the prior written consent of the Purchaser and Seller; provided that the right to terminate this Agreement under this Section 3.4(e) shall not be available to any party whose failure to fulfill any material obligation under this Agreement has been the cause of, or resulted in, the failure of such order to meet these requirements on or before such date, including, without limitation, the failure of Purchaser to provide adequate assurances of future performance as required by the Bankruptcy Code.

(f) by either the Purchaser or Seller, if the Bidding Procedures Order or Expense Reimbursement shall fail to be in full force and effect as of the Outside Date, or shall have been stayed, reversed, modified or amended in any respect without the prior written consent of the Purchaser and Seller; provided that the right to terminate this Agreement under this Section 3.4(f) shall not be available to any party whose failure to fulfill any material obligation under this Agreement has been the cause of, or resulted in, the failure of such order to meet these requirements on or before such date;

(g) by either the Purchaser or Seller, if Seller have entered into an Alternative Transaction;

(h) automatically upon consummation of an Alternative Transaction;

(i) by the Purchaser, if there has been a Material Adverse Effect between the Execution Date and the Closing Date, unless such Material Adverse Effect was caused by the Purchaser's failure to fulfill any material obligations under this Agreement or such Material Adverse Effect relates to the non-assumption and/or non-assignment of any contract or permit otherwise contemplated as an Assigned Contract or Assumed Permit hereunder.

(j) by Seller, if the Purchaser have breached any representation, warranty, covenant or agreement contained in this Agreement and as a result of such breach the conditions set forth in Section 9.2(a) and Section 9.2(b) hereof, as the case may be, would not then be satisfied at the time of such breach; provided, however, that if such breach is curable by the Purchaser within ten (10) days through the exercise of its reasonable best efforts, then for so long as the Purchaser continue to exercise such reasonable best efforts Seller may not terminate this Agreement under this Section 3.4(h) unless such breach is not cured within ten (10) days from written notice to the Purchaser of such breach; provided, further, that Seller is not then in material breach of the terms of this Agreement, and provided further, that no cure period shall be required for a breach which by its nature cannot be cured;

(k) by Purchaser, if Seller has breached any representation, warranty, covenant or agreement contained in this Agreement and as a result of such breach the conditions set forth in Section 9.3(a) and Section 9.3(b) hereof, as the case may be, would not then be satisfied at the time of such breach; provided, however, that if such breach is curable by Seller within ten (10) days through the exercise of its reasonable best efforts, then for so long as Seller continues to exercise such reasonable best efforts the Purchaser may not terminate this Agreement under this Section 3.4(i) unless such breach is not cured within ten (10) days from

written notice to Seller of such breach; provided, further, that the Purchaser are not then in material breach of the terms of this Agreement, and provided further, that no cure period shall be required for a breach which by its nature cannot be cured; or

(l) by Seller, if all of the conditions set forth in Sections 9.1 and 9.3 have been satisfied (other than conditions that by their nature are to be satisfied at the Closing) or waived and Purchaser fail to deliver the Purchase Price at the Closing.

3.5 Procedure Upon Termination. In the event of a termination of this Agreement by the Purchaser or Seller, or both, pursuant to Section 3.4, (a) written notice thereof shall be given promptly by the terminating party to the other parties hereto, specifying the provision hereof pursuant to which such termination is made, (b) except as contemplated by Section 3.6 and Section 7.1 with respect to the obligations of Purchaser to serve as a Back-up Bidder hereunder, this Agreement shall thereupon terminate and become void and of no further force and effect and (c) the consummation of the transactions contemplated by this Agreement shall be abandoned without further action of the parties hereto. If this Agreement is terminated as provided herein, each party shall redeliver all documents, work papers and other material of any other party relating to the transactions contemplated hereby, whether so obtained before or after the execution hereof, to the party furnishing the same.

3.6 Effect of Termination.

(a) In the event that this Agreement is validly terminated as provided herein, (1) then each of the parties shall be relieved of its duties and obligations arising under this Agreement effective as of the date of such termination and such termination shall be without Liability to the Purchaser or Seller, and (2) except as expressly set forth in this Section 3.6 below, Seller shall return the Deposit to Purchaser within thirty (30) days of such termination date unless otherwise directed by the Bankruptcy Court. In no event shall any termination of this Agreement relieve any party hereto of any Liability for any willful breach of this Agreement by such party.

(b) Notwithstanding anything to the contrary contained herein, in the event that this Agreement is terminated by Seller pursuant to Section 3.4(j), Section 3.4(l) or pursuant to any other provision of Section 3.4 due to the Purchaser's material breach of any of its obligations under this Agreement, the claims of TPG-Rosewood against the Seller arising under the Prepetition Credit Facility shall, without any further action on the part of the Seller, the Purchaser or any of the Purchaser shall promptly pay to the Seller in immediately available funds an amount equal to \$250,000 (the "Purchaser's Termination Fee"), and Seller shall have no further obligation to refund the Deposit whatsoever. The right of the Seller to receive the Purchaser's Termination Fee and retain the Deposit shall be the sole and exclusive remedy of Seller against the Purchaser, DIP Agent, DIP Lenders, Prepetition Credit Facility Agent and the Purchaser and any of their respective Affiliates or subsidiaries for any loss or damage suffered as a result of the breach by Purchaser of this Agreement or the termination of this Agreement by Seller and in no event (other than as expressly provided in Section 2.6(a) above) will Seller (or Person acting on behalf of Seller) seek to recover (or be entitled to obtain) any other money damages or seek any equitable relief or equitable remedies of any kind whatsoever or any other remedy from the Purchaser, DIP Agent, DIP Lenders, Prepetition Credit Facility Agent or TPG-

Rosewood or any of their respective Affiliates or subsidiaries with respect thereto, regardless of whether such monetary damages or other remedies are based on a claim in law or equity, and Seller (on their own behalf and on behalf of their estates) hereby waive all such claims. The Purchaser hereby agree to take any further action that may be reasonably required to give effect to the provisions of this Section 3.6(b).

## ARTICLE IV.

### REPRESENTATIONS AND WARRANTIES OF THE SELLER

Seller hereby makes the representations and warranties in this Article IV to the Purchaser as of the Execution Date (except with respect to representations and warranties made as of a particular date, which shall be deemed to be made only as of such date), except as qualified or supplemented by sections in the Seller Disclosure Schedule attached hereto, as the same may be amended or modified in accordance with Section 1.5(b) hereof. Each such section of the Seller Disclosure Schedule is numbered by reference to representations and warranties in a specific Section of this Article IV. The information disclosed in any numbered part of the Seller Disclosure Schedule shall be deemed to be disclosed with respect to every other representation and warranty in this Article IV if such disclosure is reasonably apparent on its face.

4.1 Corporate Organization and Qualification. 3 Day Blinds, Inc. is a corporation duly incorporated, validly existing and in good standing under the Laws of the State of Delaware. 3 Day Blinds, Inc. is qualified and in good standing as a foreign corporation in each jurisdiction where the properties owned, leased or operated or the conduct of its Business require such qualification, except as would not have or would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. The Seller has all requisite power and authority to own, lease and operate its properties and to carry on the Business as it is now being conducted, subject to the provisions of the Bankruptcy Code. 3 Day Blinds, Inc. has previously made available to the Purchaser complete and correct copies of 3 Day Blind, Inc.'s Certificate of Incorporation, as amended and in effect on the Execution Date (the "3 Day Blinds Certificate"), and 3 Day Blind, Inc.'s Bylaws, as amended and in effect on the Execution Date (the "3 Day Blinds Bylaws").

4.2 3 Day Blinds, Inc. Section 4.2(a) of the Seller Disclosure Schedule sets forth a true and complete list of the names, jurisdictions of organization, and jurisdictions of qualification as a foreign entity of the Seller. Except as set forth in Section 4.2(a) of the Seller Disclosure Schedule, all outstanding shares of capital stock of or other equity ownership interests in 3 Day Blinds, Inc. free and clear of all Encumbrances, other than Permitted Encumbrances.

4.3 Authority Relative to This Agreement. Except for such authorization as is required by the Bankruptcy Court and receipt of any Regulatory Approvals, the Seller has all requisite power, authority and legal capacity to (a) execute and deliver this Agreement, (b) execute and deliver each other agreement, document, instrument or certificate contemplated by this Agreement or to be executed by Seller in connection with the consummation of the transactions contemplated by this Agreement (the "Seller's Documents"), and (c) perform its obligations hereunder and thereunder and consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the Seller's Documents, and the

consummation of the transactions contemplated hereby and thereby, have been duly authorized by all requisite action on the part of Seller, including by any action or required approval of the equity holder or equity holders of the Seller, subject to the approval of the Bankruptcy Court as set forth in the Sale Order. This Agreement has been, and at or prior to the Closing, each of the Seller's Documents will be, duly and validly executed and delivered by the Seller and (assuming the due authorization, execution and delivery by the other parties hereto and thereto, and the entry of the Sale Order) this Agreement constitutes, and each of the Seller's Documents when so executed and delivered will constitute, legal, valid and binding obligations of the Seller, enforceable against the Seller in accordance with its respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity) (the "Bankruptcy Exceptions").

#### 4.4 Conflicts; Consents of Third Parties.

(a) Except as set forth on Section 4.4(a) of the Seller Disclosure Schedule or as permitted by the Sale Order, to the Seller's Knowledge, none of the execution and delivery by Seller of this Agreement or Seller's Document, the consummation of the transactions contemplated hereby or thereby, or compliance by Seller with any of the provisions hereof or thereof will (A) result in the loss or material impairment of the rights of Seller in Seller Intellectual Property or (B) conflict with, or result in any violation of or constitute a breach or default (with or without notice or lapse of time, or both) under, or give rise to a right of acceleration, payment, amendment, termination or cancellation under any provision of (i) the 3 Day Blinds Certificate of Incorporation or the 3 Day Blinds Bylaws; (ii) subject to and assuming entry of the Sale Order, any Contract or Permit to which the Seller is a party or by which any of the properties or assets of Seller is bound, including any Assigned Contract; (iii) subject to and assuming entry of the Sale Order, any order of any Governmental Body applicable to the Seller or any of the properties or assets of Seller, including the Purchased Assets, or the Business; or (iv) subject to and assuming entry of the Sale Order, any applicable Law, other than, in the case of clauses (ii), (iii) and (iv), such conflicts, violations, defaults, terminations or cancellations that would not have, individually or in the aggregate, a material adverse effect on the Seller's ability to operate the Business in the Ordinary Course of Business.

(b) Except as set forth on Section 4.4(b) of the Seller Disclosure Schedule, to the Seller's Knowledge, no order, Permit or declaration or filing with, or notification to, any Governmental Body or other Person is required on the part of Seller in connection with the execution and delivery of this Agreement or Seller's Documents, the compliance by Seller with any of the provisions hereof or thereof, the consummation of the transactions contemplated hereby or thereby or the taking by Seller of any other action contemplated hereby or thereby, except for (i) the entry of the Sale Order, and (ii) such other orders, Permits, declarations, filings and notifications, the failure of which to obtain or make would not have, individually or in the aggregate, a material adverse effect on the Seller's ability to operate the Business in the Ordinary Course of Business.

4.5 Absence of Certain Developments. Except for actions taken in connection with the Chapter 11 Case, as contemplated or expressly required or permitted by this Agreement, or as set forth in Section 4.5 of the Seller Disclosure Schedule, since the Most Recent Balance Sheet Date (as defined herein), the Business has been conducted in the Ordinary Course of Business, and the Seller has not:

(a) acquired any material assets, other than acquisitions of Equipment or Inventory in the Ordinary Course of Business;

(b) sold, leased, transferred or assigned any material assets, tangible or intangible, other than (i) sales of Inventory in the Ordinary Course of Business, or (ii) the disposition of obsolete or immaterial assets not necessary for the conduct of the Business by Seller;

(c) accelerated, terminated, modified, amended, or cancelled any Material Contract, or waived, released or assigned any material rights or claims thereunder, in each case, in a manner adverse to Seller (and, to the Knowledge of Seller, no other party to any such Material Contract has accelerated, terminated, modified, amended, or cancelled such Material Contract, or waived, released or assigned any rights or claims thereunder);

(d) imposed or created any Encumbrance (other than Permitted Encumbrances) upon any of the Purchased Assets, tangible or intangible, that would be binding on the Purchaser;

(e) incurred or made any capital expenditures in an aggregate amount in excess of \$100,000.00;

(f) created, incurred, assumed, or guaranteed any Indebtedness that would be binding upon the Purchaser, other than Assumed Liabilities as set forth herein;

(g) transferred, assigned, abandoned or granted any license or sublicense of any rights under or with respect to any Assumed Intellectual Property, other than pursuant to license agreements entered into in the Ordinary Course of Business;

(h) experienced any material damage, destruction or other casualty loss (whether or not covered by insurance) affecting the tangible Purchased Assets;

(i) granted any bonus opportunity or any increase in any type of compensation or benefits, including severance or termination pay, to any of its current or former directors, Employees or consultants, except for increases in base compensation in the Ordinary Course of Business;

(j) paid any bonus, except for bonuses paid or accrued in the Ordinary Course of Business;

(k) delayed or postponed the payment of undisputed accounts payable or any other undisputed Liabilities of the Business in any material respect (except as required by the Bankruptcy Code) or otherwise subject to approval of the Bankruptcy Court;

(l) changed any finance or Tax accounting methods, principles or practices, except insofar as may have been required by a change in GAAP or applicable Law;

(m) made any Tax election or any settlement or compromise of any material income Tax Liability; and

(n) to the Seller's Knowledge, received any written notice of any cancellation or termination of any Assigned Contract that is a Material Contract, including without limitation, such Assigned Contracts with Assumed Customer Contracts.

4.6 Litigation. Except as set forth in Section 4.6 of the Seller Disclosure Schedule, there is no material litigation, action, claim, suit, proceeding, investigation, examination, hearing, arbitration, inquiry or subpoena (collectively, "Actions"), pending or, to the Knowledge of Seller, threatened against Seller or any property or asset of Seller or which could give rise to or increase an Assumed Liability. Except as set forth in Section 4.6 of the Seller Disclosure Schedule, no Seller is subject to any judgment, decree, injunction, rule or order of any court, arbitration panel or other Governmental Body that relates to the Business or the Purchased Assets.

#### 4.7 Intellectual Property.

(a) Section 4.7 of the Seller Disclosure Schedule sets forth a true, complete and correct list of (i) all of the patents, registered trademarks, registered copyrights, Internet domain names, and applications for any of the foregoing, in each case that constitute the Owned Intellectual Property (collectively, the "Registered IP") and (ii) a list of all other material Owned Intellectual Property and a list of all Licensed Intellectual Property (except for Intellectual Property licensed pursuant to off the shelf software and licenses implied in the sale of such software). Section 4.7 of the Seller Disclosure Schedule sets forth a true, complete and correct list of all material software, databases, licenses, and contracts that are included in, comprise or are related to the Owned Intellectual Property set forth in Section 4.7 of the Seller Disclosure Schedule, except for off the shelf software and licenses implied in the sale of such software. Except as set forth on Section 4.7 of the Seller Disclosure Schedule, (i) the Seller owns the Owned Intellectual Property, free from any Encumbrances, other than Permitted Encumbrances, and free from any requirement of any present or future royalty payments, license fees, charges or other payments, or conditions or restrictions whatsoever; and (ii) no action is pending, or to the Knowledge of the Seller threatened, challenging the validity, enforceability, registration, ownership or use of any Registered IP.

(b) To the Knowledge of the Seller, neither the Seller nor any of its products or services is infringing upon, misappropriating, diluting or otherwise violating, the Intellectual Property of any third party and no Person is infringing upon, misappropriating, diluting or otherwise violating, Seller Intellectual Property. Except as set forth on Section 4.7 of the Seller Disclosure Schedule, there is no pending claim, action or proceeding alleging that the Seller is infringing, misappropriating, diluting or otherwise violating the Intellectual Property rights of any Person, and to the Knowledge of the Seller, no such claims are threatened.



(c) To the Knowledge of the Seller, the Seller owns or has the right to use the Seller Intellectual Property as used in the conduct of the Business as currently conducted, free and clear from any Encumbrances (other than Permitted Encumbrances and subject to the terms and conditions of any agreement pursuant to which such Seller Intellectual Property was obtained).

4.8 Agreements, Contracts and Commitments; Certain Other Agreements.

(a) The following types of material executory Contracts that are unexpired as of the Execution Date and relating to the Business to which the Seller is a party or by which it is bound or any of the Purchased Assets are bound (shall collectively referred to as the "Material Contracts"):

- (i) Contracts to which any significant vendor/supplier is a party;
- (ii) Contracts pursuant to which Seller would be required to make payments in excess of \$ 100,000 from and after the Execution Date and prior to the end of the earlier of (A) the term of the applicable Contract and (B) the twelve month anniversary of the Execution Date;
- (iii) Contracts to which any officer or director of the Seller or any Affiliate of any such officer or director, is a party;
- (iv) leases for any real property or any material Equipment used or held for use in the Business;
- (v) Contracts that: (A) limit or restrict Seller from engaging in any business or other activity in any jurisdiction; or (B) create or purport to create any exclusive relationship or arrangement other than with employees of Seller;
- (vi) Contracts granting to any Person an option or a right of first refusal, first-offer or similar preferential right to purchase or acquire any of the Purchased Assets;
- (vii) Contracts for the granting or receiving of a license, sublicense or franchise or under which any Person is obligated to pay or has the right to receive a royalty, license fee, franchise fee or similar payment;
- (viii) Contracts (i) with respect to Seller Intellectual Property licensed or transferred to any third party or (ii) pursuant to which a third party has licensed or transferred any Intellectual Property to a Seller (in the case of both (i) and (ii), except for off the shelf software and licenses implied in the sale of such software);
- (ix) joint venture or partnership Contracts or Contracts entitling any Person to any profits, revenues or cash flows of Seller or requiring payments or other distributions based on such profits, revenues or cash flows; and
- (x) Contracts with any Governmental Body.

(b) Except as set forth in Section 4.8 of the Seller Disclosure Schedule, the Seller has not received any written notice, or to the Knowledge of Seller, oral notice, of any default or event that with notice or lapse of time or both would constitute such a default by the Seller under any Material Contract, other than in connection with the Chapter 11 Case or in connection with a potential claim of termination which might arise from the grant of a security interest in and to such Material Contract under the DIP Loan Documents.

(c) The Seller has heretofore delivered or made available to the Purchaser true and complete copies of all Material Contracts that are in writing, including all amendments, modifications, schedules and supplements thereto and all waivers (including descriptions of oral waivers) with respect thereto. Assuming (x) the entry of the Sale Order and (y) due execution by the other party or parties thereto, as of the Closing Date, each Material Contract will be in full force and effect and, subject to the Bankruptcy Exceptions, enforceable in accordance with its terms against Seller and any other party thereto.

#### 4.9 Regulatory Matters; Permits.

(a) All of the material Permits that are necessary for the operation of the Business as currently conducted and the ownership of the Purchased Assets are held by the Seller in full force and effect (collectively, the "Material Permits"). Section 4.9(a) of the Seller Disclosure Schedule sets forth a true, complete and correct list of (i) all of Seller's certificates of authority in the 14 states in which Seller is operating as of the Execution Date, and (ii) all contractor's licenses of Seller in the states in which such license is required.

(b) To the Knowledge of Seller, Seller is in compliance with its obligations under each of the Material Permits and the rules and regulations of the Governmental Body issuing such Material Permits, and no condition exists that without notice or lapse of time or both would constitute a default under, or a violation of, any Material Permit except for such failures to be in compliance or defaults that would not have, individually or in the aggregate, a material adverse effect on the Seller's ability to operate the Business in the Ordinary Course of Business.

(c) To the Knowledge of Seller, each Material Permit is valid and in full force and effect and there is no proceeding, notice of violation, order of forfeiture or complaint or investigation against Seller relating to any of the Material Permits pending or to the Knowledge of the Seller, threatened, before any Governmental Body.

4.10 Brokers and Finders. The Seller has not employed, and to the Knowledge of Seller, no other Person has made any arrangement by or on behalf of Seller with any investment banker, broker, finder, consultant or intermediary in connection with the transactions contemplated by this Agreement which would be entitled to any investment banking, brokerage, finder's or similar fee or commission in connection with this Agreement or the transactions contemplated hereby.

4.11 Title to Assets; Sufficiency and Condition of Assets. At Closing, Seller will have (and shall convey to the Purchaser at the time of the transfer of the Purchased Assets to the Purchaser) good and marketable title or a valid leasehold interest in and to each of the Purchased Assets free and clear of all Encumbrances except Permitted Encumbrances. At Closing and

subject to the order of the Bankruptcy Court, Seller will have (and shall convey to the Purchaser at the time of the transfer of the Purchased Assets to the Purchaser) valid leasehold interests in the Assumed Personal Property Leases and the Assumed Real Property Leases, free and clear of all Encumbrances except Permitted Encumbrances.

4.12 Tangible Personal Property; Equipment. Section 4.12(a) of the Seller Disclosure Schedule sets forth all Personal Property Leases involving annual payments in excess of \$50,000 relating to personal property, including Equipment, used by Seller in the Business or to which Seller is a party or by which the personal property, including Equipment, of Seller is bound. Except as set forth in Section 4.12(b) of the Seller Disclosure Schedule, Seller has not received any written notice, or to the Knowledge of Seller, oral notice, of any default or event that with notice or lapse of time or both would constitute such a default by such Seller under any of the Personal Property Leases.

4.13 Real Property.

(a) Seller owns such real property as is set forth on Schedule 8.

(b) Section 4.13(b) Section 4.13(b) of the Seller Disclosure Schedule sets forth a complete and correct list of all Leased Real Property specifying the address or other information sufficient to identify all such Leased Real Property. Each Assumed Real Property Lease grants Seller the right to use and occupy the applicable Assumed Leased Real Property, in accordance with the terms thereof, subject to Permitted Encumbrances. Except as set forth on Section 4.13(b) of the Seller Disclosure Schedule, Seller has not leased or granted to any Person the right to access, enter upon, use, occupy, lease, manage, operate, maintain, broker or purchase any portion of Seller's interest in the Leased Real Property, that is not otherwise a Permitted Encumbrance or that will not otherwise be terminated on or prior to the Closing Date.

(c) Seller has not received any written notice of, or to the Knowledge of Seller, oral notice of, condemnation or eminent domain proceedings pending or threatened that affect the Assumed Leased Real Property. Seller has not received any written notice of, or, to the Knowledge of Seller, any oral notice of, any zoning, ordinance, building, fire or health code or other legal violation affecting any such Assumed Leased Real Property, except where any such violations would not have, individually or in the aggregate, a material adverse effect on the ability of the Seller to operate the Business in the Ordinary Course of Business.

4.14 Compliance with Law; Permits. To the Seller's Knowledge, the Seller is in compliance in all respects with all applicable material Laws. As of the Execution Date, the Seller has not received any written notice of any alleged violation of any material Law applicable to it or them. To the Seller's Knowledge, the Seller is not in default in any material respect of any order of any Governmental Body applicable to the Purchased Assets or the transactions contemplated under this Agreement. No investigations, inquiries or reviews by any Governmental Body with respect to the Business have been commenced, nor to the Knowledge of Seller, are any contemplated that would impose any material Liability on the Purchaser or, from and after the Closing Date, the Purchased Assets or the Business.

4.15 Tax Returns; Taxes. Except as set forth in Section 4.15 of the Seller Disclosure Schedule:

(a) All Tax Returns required to have been filed by Seller have been duly filed and are true, correct and complete in all material respects, and no material fact has been omitted therefrom. No extension of time in which to file any such Tax Returns is in effect.

(b) All Taxes due and payable by Seller (whether or not shown on any Tax Return) have been paid in full or are accrued as Liabilities for Taxes on the books and records of Seller. The accruals and reserves with respect to Taxes (other than any reserve for deferred Taxes established to reflect timing differences between book and Tax income) set forth on the Most Recent Balance Sheet are, to the Seller's Knowledge, adequate to cover all Taxes of the Seller accruing or payable with respect to Tax periods (or portions thereof) ending on or before the date of the Most Recent Balance Sheet. All Taxes of the Seller attributable to Tax periods (or portions thereof) commencing after the date of the Most Recent Balance Sheet have arisen in the ordinary course of business.

(c) No claims for Taxes have been asserted and no proposals or deficiencies for any amount of Taxes of the Seller are being asserted, proposed or, to the Knowledge of Seller, threatened, and no audit or investigation of any Tax Return of Seller has occurred in the last five (5) years or is currently underway, pending or, to the Knowledge of Seller, threatened, other than in connection with the Chapter 11 Case and/or resulting from compliance with the orders of the Bankruptcy Court and the applicable provisions of the Bankruptcy Code.

(d) Since January 1, 2005, no claim has ever been made against Seller by any Governmental Body in a jurisdiction where Seller does not file Tax Returns that Seller is or may be subject to taxation in such jurisdiction.

(e) To the Seller's Knowledge, the Seller has withheld and paid all Taxes required to have been withheld and paid by it to the appropriate Government Body in connection with amounts paid or owing to any employee, independent contractor, creditor or shareholder thereof or other third party.

(f) There are no Encumbrances for Taxes with respect to Seller or its assets, nor is there any such Encumbrance that is pending or, to the Knowledge of Seller, threatened other than Permitted Encumbrances.

(g) To the Knowledge of Seller, and except for Permitted Encumbrances, it has no contingent liabilities for Taxes or any grounds for an assessment or reassessment of the Seller, including unreported benefits conferred on any shareholder of Seller. Seller has not executed or filed with any Governmental Body any agreement or waiver extending the period for assessment, reassessment or collection of any Taxes. Seller has not made an election, nor is the Seller required, to treat any Purchased Asset as owned by another Person or as tax-exempt bond financed property or tax-exempt use property within the meaning of Section 168 of the Code or under any comparable provision of state or local Tax law.

(h) Seller is not a party to or bound by any tax sharing, tax indemnity or tax allocation agreement or other similar arrangement with any other party.

(i) Seller has not requested or received any ruling from any Governmental Body, or signed any binding agreement with any Governmental Body, that would impact the amount of any Tax liability of Seller for a Post-Closing Tax period. Seller will not be required to recognize for Tax purposes in a Post-Closing Tax Period any income or gain that otherwise would have been required to be recognized under the accrual method of accounting in a Pre-Closing Tax Period as a result of any change in the method of accounting of Seller or otherwise deferring the recognition of income or gain to a Post-Closing Tax Period as a result of the accounting method used in a Pre-Closing Tax Period.

#### 4.16 Employees.

(a) Section 4.16(a) of the Seller Disclosure Schedule contains a true and correct list of the Employees as of January 29, 2009, specifying their position and date of hire. Except as set forth in Section 4.16(a) of the Seller's Disclosure Schedule, the Seller is in compliance in all material respects with all material Laws relating to the employment or termination of employment of the Employees. Seller has provided prior to the Closing Date sufficient access to review the annual salaries and benefits of, including, without limitation, accrued vacation due to, the Employees as of the Execution Date.

(b) To the Seller's Knowledge, each Employee or former Employee who has experienced an Employment Loss in the 90 days immediately preceding the date of this Agreement (excluding Employees who are employed for an average of fewer than 20 hours per week or who have been employed for fewer than six of the 12 months preceding the date of this Agreement) were terminated, laid-off or subject to a reduction in hours in accordance with applicable law. Subject to Purchaser's discharge of its obligations under Article VI below, Seller does not presently intend to take any action that would result in a "mass layoff" or "plant closing" as defined in the WARN Act between the date of this Agreement and the Closing Date. Subject to Purchaser's discharge of its obligations under Article VI below, with respect to any Employment Loss that occurred within the one year preceding the date of this Agreement, Seller has complied with all of the requirements of the WARN Act.

(c) Subject to Purchaser's discharge of its obligations under Article VI below, there are no material claims or proceedings pending or, to the Knowledge of the Seller, threatened, between Seller and any Employees. There are no strikes, slowdowns, work stoppages, lockouts, or, to the Knowledge of Seller, threats thereof, by or with respect to any Employees of Seller.

(d) To Seller's Knowledge, Seller has paid (1) all pre-petition priority claims under Bankruptcy Code Section 507(a)(4) solely relating to the payment of wages, salaries and commissions (and specifically excluding any claims relating to vacation, severance and sick leave), and (2) all post-petition administrative claims under Bankruptcy Code Section 503(b)(1)(A)(1) solely relating to the payment of wages, salaries and commissions (and specifically excluding any claims relating to vacation, severance and sick leave).

#### 4.17 Company Benefit Plans.

(a) Except as provided in Section 4.17 of the Seller Disclosure Schedule, the Seller is not a party to or bound by, either directly or by operation of Law, any collective bargaining agreement, labor contract, letter of understanding, letter of intent, voluntary recognition agreement or legally binding commitment or written communication to any labor union, trade union or employee organization or group which may qualify as a trade union in respect of or affecting Employees nor is the Seller subject to any union organization effort, nor is the Seller engaged in any labor negotiation. There are no (i) strikes, work stoppages, work slowdowns or lockouts pending or, to the Knowledge of Seller, threatened against or involving the Seller, or (ii) unfair labor practice charges, grievances or complaints pending or, to the Knowledge of Seller, threatened by or on behalf of any Employee or group of Employees.

(b) Each Seller Plan, other than with respect to those obligations between Seller and Employees related to severance, pay, vacation pay, company awards and bonuses, sick leave and related obligations pursuant to Seller's personnel policies or contractual obligations, is listed in Section 4.17 of the Seller Disclosure Schedule.

(c) None of the Seller Plans is a "multiemployer plan" (as defined in Section 3(37) of ERISA, is or has been subject to Sections 4063 or 4064 of ERISA, or is or has been subject to subject to Title IV of ERISA or Code Section 412 or 430. Seller has not incurred any Liability under Title IV of ERISA or Code Section 412 or 430.

(d) Each Seller Plan has been established, administered and invested in accordance with its terms and in material compliance with all applicable Laws. The Seller has performed and complied in all material respects with all of its respective obligations under or with respect to the Seller Plans.

(e) No Seller Plan provides post-retirement or post-termination employee benefits (including death, medical or health benefits) to or in respect of any Employees or former Employees or their beneficiaries, other than COBRA Continuation Coverage. No Seller Plan provides health benefits that are not fully insured through an insurance Contract. All contributions or premiums required to be made by Seller to or under each Seller Plan have been made in a timely fashion in accordance with applicable Law, the terms of the applicable Seller Plan and any applicable collective bargaining agreement, and no Seller has, and as of the Closing Date will not have, any actual or potential unfunded Liabilities with respect to any Seller Plans.

(f) Each Seller Plan may be amended or terminated in accordance with its terms without liability to the Purchaser (other than administrative expenses associated with amending or terminating such Seller Plan). Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will result, separately or in the aggregate, in the payment of any "excess parachute payment" within the meaning of Code §280G (or any corresponding provision of state, local, or foreign Tax law) or in the imposition of an excise tax under Code Section 4999, (or any corresponding provisions of state, local or foreign Tax law).

4.18 Insurance Policies. Section 4.20 of the Seller Disclosure Schedule lists all insurance policies owned or held by Seller or otherwise applicable to the Business (the “Insurance Policies”). All such policies (or substitute policies with substantially similar terms and underwritten by insurance carriers with substantially similar or higher ratings) are in full force and effect, all premiums with respect thereto covering all periods up to and including the Closing Date have been paid, and no written notice of cancellation or termination (or any other threatened termination) has been received with respect to any such policy. Except as set forth on Section 4.20, there are no pending or, to the Knowledge of Seller, threatened claims under any Insurance Policy.

4.19 Environmental Matters. To the Knowledge of Seller (a) Seller is in compliance with all Environmental Laws, (b) there is no material investigation, suit, claim, action or judicial or administrative proceeding relating to or arising under Environmental Laws that is pending or, to the Knowledge of Seller, threatened against Seller or any real property owned, operated or leased by Seller, or any of the Purchased Assets, (c) none of the Leased Real Property has been listed on the federal Comprehensive Environmental Response, Compensation Liability Information System (CERCLIS) database or any other similar federal, provincial or state list of known or suspected contaminated sites, (d) no Hazardous Materials have been treated, stored or Released by Seller at any location or by any other Person at, on or under the Leased Real Property in any manner or concentration that requires investigation, removal or remediation under Environmental Laws or would otherwise cause Seller or any future owner or operator of any Leased Real Property to incur material liability under Environmental Laws, and (e) Seller has not received any notice of or entered into any order, settlement, judgment, injunction or decree involving uncompleted, outstanding or unresolved material obligations, liabilities or requirements relating to or arising under Environmental Laws.

4.20 Customers, Vendors and Suppliers. True, correct and complete copies of all written contracts with significant customers and significant vendors/suppliers have been made available to the Purchaser. To Seller’s Knowledge, no significant customer or significant vendor/supplier has given Seller notice terminating, canceling or materially reducing, or threatening to terminate, cancel or materially reduce, any Contract or relationship with Seller other than in the Ordinary Course of Business or in connection with the commencement of the Chapter 11 Case. As of the Execution Date, no significant customer (i) has notified Seller that the same no longer meets such significant customer’s quality specifications or any certification requirements imposed upon companies in the Business or (ii) to the Knowledge of Seller, has threatened to terminate such significant customer’s contract or relationship with Seller, other than in the Ordinary Course of Business or in connection with the commencement of the Chapter 11 Case. During the three-month period immediately preceding the Execution Date, there has been no material increase in the dollar amount of customer claims relating to the quality of Seller’s products or services as compared with the comparable period of the preceding calendar year. No significant customer or significant vendor/supplier has proposed in writing, or given the Seller written notice of its intention to propose, any material price structure changes or any other material changes to any Contract with the Seller, nor, to the Knowledge of Seller, does any significant customer or significant vendor/supplier intend to propose a material change to the price structure of any such Contract or any other material change to any such Contract.

4.21 Accounts Receivable. Section 4.21 of the Seller Disclosure Schedule is a complete and accurate list, as of December 31, 2008, of the Accounts Receivable of Seller, including an aging of all Accounts Receivable showing amounts due in 30-day aging categories. Seller has provided reserves for Accounts Receivable (the "Seller Reserves") in accordance with GAAP and 3 Day Blind Inc.'s accounting policies as consistently applied in the Ordinary Course of Business by Seller. On the Closing Date, Seller will deliver to the Purchaser a complete and accurate list, as of a date within five Business Days of the Closing Date, of the Accounts Receivable (the "Accounts Receivable List"). To the Seller's Knowledge, all Accounts Receivable represent valid obligations arising from bona fide business transactions in the Ordinary Course of Business. Subject to the Seller Reserves, there is no pending or, to Knowledge of Seller, threatened contest, claim, counterclaim, defense or right of set-off under any Contract or otherwise with any obligor of any Account Receivable relating to the amount or validity of such Account Receivable.

4.22 Inventory. To the Seller's Knowledge, all Inventory is in good and merchantable quality and is useable and saleable in the Ordinary Course of Business and none of it is obsolete, materially damaged or materially defective, except for those items the value of which has been reduced in accordance with GAAP and Seller's inventory policies consistently applied by Seller.

4.23 Financial Statements. Seller has delivered or made available to the Purchaser the following financial statements (collectively the "Financial Statements"): (i) audited consolidated balance sheets and statements of income, changes in stockholders' equity, and cash flow as of and for the fiscal year ended December 31, 2007 for 3 Day Blinds, Inc. (the "2007 Audited Financial Statements"), and (ii) an un-audited consolidated balance sheet as of September 30, 2008 (the "Most Recent Balance Sheet") for 3 Day Blinds, Inc. as set forth in Section 4.23 of the Seller Disclosure Schedule. The 2007 Audited Financial Statements have been prepared in accordance with GAAP applied on a consistent basis throughout the periods involved, present fairly, in all material respects, the financial condition of 3 Day Blinds, Inc. as of such dates and the results of operations and cash flows of 3 Day Blinds, Inc. for such periods, and are consistent, in all material respects, with the books and records of 3 Day Blinds, Inc. (which books and records are correct and complete in all material respects). The Most Recent Balance Sheet includes all of the assets and Liabilities of 3 Day Blinds, Inc. as of September 30, 2008, in each case that are required by GAAP to be set forth on a balance sheet (except for those entries necessary to reflect the impairment of assets and liabilities incurred with respect to the ongoing store closures and the fair value of assets and liabilities as a result of going concern issues) presents fairly, in all material respects, the financial condition of 3 Day Blinds, Inc. as of September 30, 2008 and is consistent, in all material respects, with the books and records of 3 Day Blinds, Inc.

4.24 Capital Expenditures. As of the Execution Date, Seller has made available to the Purchaser the most recent capital spending plans of 3 Day Blinds, Inc. relating to the Business or the Purchased Assets.

4.25 Absence of Undisclosed Liabilities. Except as set forth in Section 4.25 of the Seller Disclosure Schedule, Seller does not have any Liabilities, except (i) Liabilities reflected on the liabilities side of the Most Recent Balance Sheet, (ii) Liabilities that have arisen after the date of the Most Recent Balance Sheet in the Ordinary Course of Business or otherwise in accordance



with the terms and conditions of this Agreement (none of which is a material Liability for breach of warranty, tort or infringement or a claim or lawsuit or breach of an Environmental Law) and (iii) Liabilities that are or will be Excluded Liabilities.

4.26 Claims for Indemnification. During the past five (5) years, Seller has not made or has had made against it any claim pursuant to rights of indemnity, set-off, counterclaim or any similar action pursuant to or arising under any Contract relating to the acquisition or disposition of the capital stock or assets of 3 Day Blinds, Inc., (the "Rights of Indemnity"), and, to the Knowledge of Seller, no such claim is currently contemplated or threatened.

## ARTICLE V.

### REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser hereby make the representations and warranties in this Article V to Seller as of the Execution Date (except with respect to representations and warranties made as of a particular date, which shall be deemed to be made only as of such date), except as qualified or supplemented by sections in the Purchaser Disclosure Schedule attached hereto:

5.1 Corporate Organization and Qualification. TPG, Rosewood Associates and Rosewood LP are all limited partnerships duly organized, validly existing and in good standing under the Laws of the State of Delaware and TPG-Rosewood Acquisition, Corp. in an entity that is or will be validly existing and in good standing under the Laws of the State of Delaware. The Purchaser are qualified and in good standing as a foreign entity in each jurisdiction where the properties owned, leased or operated, or the business conducted by it require such qualification except as would not have or reasonably be expected to have a Material Adverse Effect on the Purchaser' ability to consummate the transactions contemplated by this Agreement. The Purchaser have all requisite power and authority (corporate or otherwise) to own their properties and to carry on its business as it is now being conducted except as would not have or reasonably be expected to have a Material Adverse Effect on the Purchaser' ability to consummate the transactions contemplated by this Agreement. The Purchaser have previously made available to 3 Day Blinds, Inc. complete and correct copies of each of the Purchaser' respective limited partnership agreement by-laws, as amended and in effect on the Execution Date.

5.2 Authority Relative to This Agreement. The Purchaser have the requisite power and authority to (a) execute and deliver this Agreement, (b) execute and deliver each other agreement, document, instrument or certificate contemplated by this Agreement or to be executed by Purchaser in connection with the consummation of the transactions contemplated hereby and thereby (the "Purchaser' Documents") and (c) perform their obligations hereunder and thereunder and consummate the transactions contemplated hereby and thereby. The execution, delivery and performance by the Purchaser of this Agreement and each Purchaser' Document have been duly authorized by all necessary company action on behalf of the Purchaser. This Agreement has been, and at or prior to the Closing each Purchaser' Document will be, duly and validly executed and delivered by the Purchaser and (assuming the due authorization, execution and delivery by the other parties hereto and thereto) this Agreement constitutes, and each Purchaser' Document when so executed and delivered will constitute, legal,

valid and binding obligations of the Purchaser, enforceable against the Purchaser in accordance with their respective terms, subject to the Bankruptcy Exceptions.

### 5.3 Consents and Approvals; No Violation.

(a) Except as set forth on Section 5.3(a) of the Purchaser Disclosure Schedule, neither the execution and delivery by the Purchaser of this Agreement or the Purchaser' Documents, the consummation of the transactions contemplated hereby or thereby, or the compliance by the Purchaser with any of the provisions hereof or thereof will conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of acceleration, payment, amendment, termination or cancellation under any provision of (i) the certificate of formation and the limited partnership agreement (or similar organizational documents) of the Purchaser, (ii) any Contract (including but not limited to any Contracts related to financing) or Permit to which the Purchaser are a party or by which the Purchaser or its properties or assets are bound, (iii) any order of any Governmental Body applicable to the Purchaser or by which any of the properties or assets of the Purchaser are bound, or (iv) any applicable Law, other than, in the case of clauses (ii), (iii), and (iv), except as would not have or reasonably be expected to have a Material Adverse Effect on the Purchaser' ability to consummate the transactions contemplated by this Agreement.

(b) Except as set forth on Section 5.3(b) of the Purchaser Disclosure Schedule, no consent, waiver, approval, order, Permit or authorization of, or declaration or filing with, or notification to, any Governmental Body or other Person nor any other Regulatory Approval is required on the part of the Purchaser in connection with the execution and delivery of this Agreement or the Purchaser' Documents, the compliance by the Purchaser with any of the provisions hereof or thereof, the consummation of the transactions contemplated hereby or thereby or the taking by the Purchaser of any other action contemplated hereby or thereby, or for the Purchaser to operate the Purchased Assets.

5.4 Brokers and Finders. The Purchaser have not employed, and to the knowledge of the Purchaser, no other Person has made any arrangement by or on behalf of the Purchaser with, any investment banker, broker, finder, consultant or intermediary in connection with the transactions contemplated by this Agreement which would be entitled to any investment banking, brokerage, finder's or similar fee or commission in connection with this Agreement or the transactions contemplated hereby.

5.5 Adequate Assurances Regarding Assigned Contracts. As of the Closing, Purchaser will satisfy the conditions contained in Sections 365(b)(1)(C) and 365(f) of the Bankruptcy Code with respect to the Assigned Contracts and Assumed Liabilities, as applicable.

5.6 Sufficiency of Financing. The Purchaser will have, on the Closing Date, access to the financing necessary to consummate the transactions contemplated by this Agreement.

5.7 Investigation. Purchaser have conducted their own independent review and analysis of the Business, the Purchased Assets and the Assumed Liabilities, of the value of such Purchased Assets and of the business, operations, technology, assets, Liabilities, financial condition and prospects of the Business, and Purchaser acknowledge that Seller has provided

Purchaser with access to the personnel, properties, premises and records of the Business for this purpose. Purchaser has conducted their own independent review of all orders of, and all motions, pleadings, and other submissions to, the Bankruptcy Court in connection with the Chapter 11 Case. Purchaser acknowledge that the price being paid under this Agreement for the Purchased Assets is the fair value for acquiring the Purchased Assets under the circumstances and that such value, rather than replacement cost, is the appropriate measure of damages if and to the extent Purchaser may have any recourse for any failure of Seller to deliver the Purchased Assets in accordance with the terms of this Agreement. In entering into this Agreement, Purchaser have relied upon its own investigation and analysis as well as the representations and warranties made by Seller in Article IV, and Purchaser acknowledge that Seller makes or has made any representation or warranty, either express or implied, as to the accuracy or completeness of any of the information provided or made available to Purchaser or any of their Affiliates, except as and only to the extent expressly set forth in Article IV.

## ARTICLE VI.

### EMPLOYEES

6.1 Employee Offers. The Purchaser may offer employment to each Employee of Seller; provided, however, that Purchaser's elections hereunder with respect to offers of employment as contemplated in this Article VI shall not result in any obligations of Seller with respect to providing notice under the WARN Act.

6.2 Continuation of Seller Plans. Purchaser shall continue to maintain the Seller Plans as defined in Section 10.1(yy) herein and the terms of the employment arrangement with respect to those Employees offered employment as contemplated herein, except for (1) any obligations set forth in the employment agreement between Seller and Michael Bush, (2) any obligations set forth in the employment agreement between Seller and Anthony White (dated May 6, 2008), (3) any obligations for the payment of severance benefits only in the employment offer letters issued by Seller to Opal Ferraro (dated November 12, 2007), Tikie Holewski (dated December 3, 2007), Karin Miller (April 24, 2008), Simon Watson (February 12, 2008), Phil Mettra (dated July 9, 2008) and Matt Lawrence (dated November 19, 2007), and (4) any obligations set forth in the Incentive Plan Agreement between Seller and Frank Gutierrez (dated May 28, 2008). In the event Employees are terminated by Purchaser after the Closing Date, Purchaser acknowledges and agrees that Purchaser shall be required to make any payments required to Employees under the existing terms of Seller Plans.

6.3 COBRA Coverage. Purchaser shall be responsible for providing, and shall assume any Liabilities in respect of, the provision of continued medical coverage pursuant to its group health plans for employees under Part 6, Title I of ERISA and Section 4980B of the Code ("COBRA Continuation Coverage"), for all current and former employees of Seller with respect to any "qualifying event" (within the meaning of COBRA) incurred prior to, concurrent with and following the Closing Date, and/or otherwise arising as a result to the transactions described herein.

## ARTICLE VII.

### BANKRUPTCY COURT MATTERS

#### 7.1 Competing Bid and Other Matters.

(a) Seller filed with the Bankruptcy Court an application or motion seeking approval of (i) the Bidding Procedures Order (the "Bid Procedures Motion"), and (ii) the Expense Reimbursement (the "Expense Reimbursement Motion").

(b) If this Agreement is terminated pursuant to Section 3.4(h) of this Agreement, the Purchaser shall be entitled to the reimbursement of, and the Seller shall promptly reimburse the Purchaser in cash for, its actual, reasonable out-of-pocket fees and expenses in the maximum amount of \$100,000.00 (the "Expense Reimbursement"). Without limiting any rights or remedies under the DIP Loan Documents or Prepetition Credit Facility Documents, this Expense Reimbursement is to reimburse the Purchaser for reasonable out-of-pocket fees and expenses incurred in connection with the preparation, execution and performance of the transactions contemplated by this Agreement, including, without limitation, filing and notification fees, and reasonable out-of-pocket fees and expenses of the Purchaser (including reasonable professional's fees and expenses) and its representatives in connection with the preparation, execution and negotiation of this Agreement, complying with its terms and otherwise effectuating the transaction. The obligations of Seller to pay the Expense Reimbursement (i) shall be entitled to administrative expense claim status under Sections 503(b)(1)(A) and 507(a)(2) of the Bankruptcy Code, (ii) shall not be subordinate to any other administrative expense claim against the Seller, other than any super-priority claim granted under the DIP Order, any carve-out for professional fees and expenses included in the DIP Order, or any adequate protection order in existence at the time the Expense Reimbursement is approved, and (iii) shall survive the termination of this Agreement in accordance with Section 3.6 hereof. The Bidding Procedures Order shall approve the Expense Reimbursement as set forth in this paragraph.

(c) This Agreement and the transactions contemplated hereby are subject to Seller's right and ability to consider higher or better competing bids with respect to the Business and a material portion of the Purchased Assets pursuant to the Bidding Procedures Order (each a "Competing Bid"). From the date of execution of this Agreement by the Seller through entry of the Bidding Procedures Order, and subject to compliance with Seller's duties under the Bankruptcy Code and other applicable law (including, without limitation, the fiduciary duty of Seller's directors), the Seller shall not solicit or negotiate with respect to other offers to purchase the Purchased Assets or propose any plan of reorganization or plan of liquidation to retain or dispose of the Acquired Assets; provided, however, that Seller may solicit offers to purchase the Acquired Assets from parties other than parties in interest in the Chapter 11 Case. Following entry of the Bidding Procedures Order, the Seller may solicit and negotiate higher and/or otherwise better offers from any party deemed appropriate by the Seller.

(d) From the date of entry of the Bidding Procedures Order until the conclusion of the Sale Hearing, Seller shall have the responsibility and obligation to respond to

any reasonable inquiries or offers to purchase all or any part of the Business, and perform any and all other acts related thereto which are required under the Bankruptcy Code or other applicable Law, including, without limitation, supplying information relating to the Business and the assets of Seller to prospective Purchaser, subject only to the provisions of the Bidding Procedures Order.

(e) If an Auction is conducted, and the Purchaser are not the prevailing party at the conclusion of such Auction (such prevailing party, the "Prevailing Bidder"), the Purchaser shall be required to serve as a back-up bidder (the "Back-up Bidder"), but only to the extent the Purchaser were determined to be the second highest bid, and keep the Purchaser' bid to consummate the transactions contemplated by this Agreement on the terms and conditions set forth in this Agreement (as the same may be improved upon in the Auction) open and irrevocable until the earlier of (i) 5:00 p.m. (prevailing Eastern time) on the date which is five (5) days after the date of the Sale Hearing (the "Outside Back-up Date"); provided, however, that notwithstanding the foregoing, in no event shall the Outside Back-up Date be later than February 27, 2009 or (ii) the date of closing of an Alternative Transaction with the Prevailing Bidder. Following the Sale Hearing and prior to the Outside Back-up Date, if the Prevailing Bidder fails to consummate the applicable Alternative Transaction as a result of a breach or failure to perform on the part of such Prevailing Bidder, the Back-up Bidder (if the Back-up Bidder is the next highest bidder at the Auction) will be deemed to have the new prevailing bid, and Seller will be authorized, without further order of the Bankruptcy Court, to consummate the transactions contemplated by this Agreement on the terms and conditions set forth in this Agreement (as the same may be improved upon in the Auction) with the Back-up Bidder.

(f) The Seller shall promptly serve true and correct copies of the Sale Motion and all related pleadings in accordance with the Bidding Procedures Order, the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Local Rules for the United States Bankruptcy Court for the Central District of California – Santa Ana Division and any other applicable order of the Bankruptcy Court.

7.2 Sale Order. The Sale Order shall be entered by the Bankruptcy Court substantially in the form attached hereto as Exhibit C and otherwise in form and substance reasonably acceptable to Seller and the Purchaser. The Sale Order shall, among other things, (i) approve, pursuant to Sections 105, 363 and 365 of the Bankruptcy Code, (A) the execution, delivery and performance by Seller of this Agreement, (B) the sale of the Purchased Assets to the Purchaser on the terms set forth herein and free and clear of all Encumbrances (other than Encumbrances included in the Assumed Liabilities and Permitted Encumbrances), and (C) the performance by Seller of their respective obligations under this Agreement; (ii) authorize and empower Seller to assume and assign to the Purchaser the Assigned Contracts; and (iii) find that Purchaser are "good faith" Purchaser within the meaning of Section 363(m) of the Bankruptcy Code, not a successor to the Seller and grant the Purchaser the protections of section 363(m) of the Bankruptcy Code. The Purchaser agree that they will promptly take such actions as are reasonably requested by Seller to assist in obtaining Bankruptcy Court approval of the Sale Order, including, without limitation, furnishing affidavits or other documents or information for filing with the Bankruptcy Court for purposes, among others, of (a) demonstrating that the Purchaser are "good faith" Purchaser under Section 363(m) of the Bankruptcy Code and (b) establishing adequate assurance of future performance within the meaning of section 365 of the

Bankruptcy Code. In the event that the Bankruptcy Court's approval of the Sale Order shall be appealed, Seller shall use reasonable efforts to defend such appeal.

7.3 Order to Change Case Caption. Following the Closing, Seller shall file a motion to change the case caption in the Chapter 11 Case and accompanying Order Approving Debtor's Motion to Change Case Caption (the "Order to Change Case Caption") substantially in the form set forth in Exhibit E attached hereto, and request that the Bankruptcy Court approve and enter the Order to Change Case Caption on an expedited basis to be concurrent with the entry of the Sale Order.

## ARTICLE VIII.

### COVENANTS AND AGREEMENTS

#### 8.1 Conduct of Business of Seller.

(a) During the period from the Execution Date and continuing until the earlier of the termination of this Agreement in accordance with Section 3.4 or the Closing, except (1) for any limitations on operations imposed by the Bankruptcy Court or the Bankruptcy Code, (2) as required by applicable Law, (3) as otherwise expressly contemplated by this Agreement or as set forth on Schedule 8.1 or (4) with the prior written consent of the Purchaser (such consent not to be unreasonably withheld, conditioned or delayed), the Seller shall:

(i) conduct the Business and operate and maintain the Purchased Assets in the Ordinary Course of Business, including maintaining accounting methods;

(ii) use its commercially reasonable good faith efforts to (x) preserve the goodwill of and relationships with Governmental Bodies, customers, suppliers, vendors, lessors, licensors, licensees, contractors, distributors, agents, Employees and others having business dealings with the Business; and (y) comply with all applicable Laws and, to the extent consistent therewith, preserve their assets (tangible and intangible), including the IT Assets.

(b) During the period from the Execution Date and continuing until the earlier of the termination of this Agreement in accordance with Section 3.4 or the Closing, except (1) for any limitations on operations imposed by, or actions required by, the Bankruptcy Court or the Bankruptcy Code, (2) as required by applicable Law, (3) as otherwise expressly contemplated by this Agreement or as set forth on Schedule 8.1 or (4) with the prior written consent of the Purchaser (such consent not to be unreasonably withheld, conditioned or delayed and, in the event that Seller request Purchaser' consent in writing and Purchaser do not provide a response within two (2) Business Days after such request, Purchaser shall be deemed to have provided their prior written consent to such request), the Seller shall not:

(i) mortgage, pledge or subject to any Encumbrance (other than a Permitted Encumbrance) the Business or any of the Purchased Assets;

(ii) other than sales of Inventory in the Ordinary Course of Business or the disposition of obsolete, immaterial or worthless Equipment up to an aggregate value

of \$100,000, sell, assign, license, transfer, convey, lease, surrender, relinquish or otherwise dispose of any of the Purchased Assets, without the prior written consent of Purchaser, such consent not to be unreasonably withheld;

(iii) cancel or compromise any debt or material claim or waive or release any material right of the Seller that constitutes a Purchased Asset or otherwise relates to the Business;

(iv) except with the prior written consent of Purchaser, such consent not to be unreasonably withheld: (A) enter into any new Contract or renew any existing Contract requiring payments by or to Seller in excess of \$20,000.00 over the thirty day period immediately following the execution thereof and (B) cancel, terminate, amend, modify, supplement or rescind any Material Contract or any terms of any Material Contract, except for the purpose of effecting any changes in applicable Law or implementing regulatory requirements or in response to a breach or default by the other party thereto;

(v) abandon any rights under any Material Contract or breach any Material Contracts;

(vi) incur any long term expenditure associated with the Purchased Assets that would be an Assumed Liability requiring payments by Seller in excess of \$50,000 individually or \$250,000 in the aggregate;

(vii) fail to replenish the Inventory of the Business in the Ordinary Course of Business in any material respect;

(viii) terminate any Employee set forth on Schedule 8.1(b)(ix), except for cause, or hire any Person to replace any such Employee, without the prior written consent of Purchaser, such consent not to be unreasonably withheld;

(ix) make or rescind any material Tax election or take any material Tax position (unless required by Law) or file any amended Tax Return or change its fiscal year or financial or Tax accounting methods, policies or practices, or settle any Tax Liability, except in each case as would not reasonably be expected to result in Liability to the Purchaser or the Business;

(x) institute, settle or agree to settle or modify in any manner that is adverse to the Business or the Purchased Assets, any litigation, action or proceeding before any court or Governmental Body relating to the Purchased Assets and to that is or will be an Assumed Liability;

(xi) (A) take any action that reasonably jeopardizes the validity of or results in the revocation, surrender or forfeiture of, any of the Material Permits necessary or desirable for the continued operation of the Business, (B) fail to use commercially reasonable efforts to prosecute with due diligence any material pending applications with respect to the Material Permits, including any renewals thereof, (C) with respect to the Material Permits, fail to make all filings and reports and pay all material fees necessary or

reasonably appropriate for the continued operation of the Business of Seller, as and when such approvals, consents, permits, licenses, filings, or reports or other authorizations are necessary or appropriate or (D) fail to initiate appropriate steps to renew any Material Permits held by Seller that are scheduled to terminate prior to or within sixty (60) days after the Closing or to prosecute any pending applications for any Material Permit;

(xii) transfer, assign or abandon or grant any rights or modify any existing rights under Seller Intellectual Property other than in the Ordinary Course of Business, or enter into any settlement regarding the breach or infringement, misappropriation, dilution or other violation of any Intellectual Property right;

(xiii) make, commit to make or incur any Liability for capital expenditures except to the extent permitted by the DIP Loan Documents; or

(xiv) enter into any Contract to do any of the foregoing or agree to do anything prohibited by this Section 8.1(b).

(c) Promptly after the Closing Date, and subject to the approval of the Bankruptcy Court, including, without limitation, the entry of the Sale Order and the Order to Change Case Caption, Seller will, at the sole cost and expense of Purchaser: (i) revoke any filing, that they may have made heretofore with any Governmental Body relating to their use of the Purchased Names and of any like names or combinations of words or derivations thereof; and (ii) prepare and file with the appropriate Governmental Body appropriate documents, including, but not limited to, an amendment to the certificate of incorporation of Debtor, consistent with the approval of the Bankruptcy Court and the terms of the Order to Change Case Caption, changing its name so as to effectuate the same and promptly deliver evidence of such name change to the Purchaser. Anything to the contrary contained herein notwithstanding, (i) the parties acknowledge and agree that Seller may use the name "3DB Successor Corporation" if permitted under Delaware law, and (ii) in the event that Debtor is unable to file the amendment to the certificate of incorporation of Debtor and/or change its name as contemplated in the Order to Change Case Caption and the Sale Order, Debtor may continue to use the name "3 Day Blinds" and "3 Day Blinds Inc." in connection with the Chapter 11 Case and the administration and winding down of the bankruptcy estate of Seller through the closing of the Chapter 11 Case.

## 8.2 Access to Information.

(a) Seller agrees that, between the Execution Date and the earlier of the Closing Date and the date on which this Agreement is terminated in accordance with Section 3.4, the Purchaser shall be entitled, through its officers, employees, counsel, accountants and other authorized representatives, agents and contractors ("Representatives"), to have such reasonable access to and make such reasonable investigation and examination of the books and records, properties, businesses, assets, Employees, accountants, auditors, counsel and operations of Seller as the Purchaser' Representatives may reasonably request. Any such investigations and examinations shall be conducted during regular business hours upon reasonable advance notice and under reasonable circumstances, including Seller's right to have its Representative accompany the Purchaser upon the Leased Real Property at the time of any inspection or examination and shall be subject to restrictions under applicable Law. Pursuant to this Section



8.2, Seller shall furnish to the Purchaser and their Representatives such financial, operating and property related data and other information as such Persons reasonably request. Seller shall use commercially reasonable efforts to cause its Representatives to reasonably cooperate with the Purchaser and the Purchaser's Representatives in connection with such investigations and examinations, and the Purchaser shall, and use their commercially reasonable efforts to cause their Representatives to, reasonably cooperate with Seller and its Representatives and shall use their reasonable efforts to minimize any disruption to the Business.

(b) From and after the Closing Date, Seller shall give the Purchaser and the Purchaser's Representatives reasonable access during normal business hours to the offices, facilities, plants, properties, assets, Employees, Documents (including, without limitation, any Documents included in the Excluded Assets), personnel files and books and records of Seller pertaining to the Business. In connection with the foregoing, Seller shall use commercially reasonable efforts to cause its Representatives to furnish to the Purchaser such financial, technical, operating and other information pertaining to the Business as the Purchaser's Representatives shall from time to time reasonably request and to discuss such information with such Representatives. Without limiting the generality of the foregoing, Seller shall cooperate with the Purchaser as may reasonably be requested by the Purchaser for purposes of (i) enabling an independent accounting firm selected by the Purchaser to conduct an audit of the Business, including access to 3 Day Blind Inc.'s independent auditors' working papers pertaining to the Business or the Purchased Assets including any environmental assessment; (ii) undertaking, with the consent of 3 Day Blinds Inc., which consent shall not be unreasonably withheld or delayed, any study of the condition or value of the Purchased Assets; and (iii) undertaking any study relating to Seller's compliance with Laws; and Seller acknowledge that information or access may be requested and used for such purpose.

(c) From and after the Closing Date, the Purchaser shall give Seller and Seller's Representatives reasonable access during normal business hours to the offices, facilities, plants, properties, assets, Employees, Documents (including, without limitation, any Documents included in the Purchased Assets), personnel files and books and records of the Purchaser pertaining to (i) the conduct of the Business or ownership of the Purchased Assets prior to the Closing Date or (ii) the Excluded Assets and Liabilities. In connection with the foregoing, the Purchaser shall use commercially reasonable efforts cause their Representatives to furnish to Seller such financial, technical, operating and other information pertaining to (i) the conduct of the Business or ownership of the Purchased Assets prior to the Closing Date or (ii) the Excluded Assets and Liabilities, in each case, as Seller's Representatives shall from time to time reasonably request and to discuss such information with such Representatives. Without limiting the generality of the foregoing, the Purchaser shall, and shall use commercially reasonable efforts to cause each of their Affiliates to, cooperate with Seller as may reasonably be requested by Seller for purposes of enabling an independent accounting firm selected by Seller to conduct an audit of the Business for periods prior to the Closing Date, including access to Purchaser's independent auditors' working papers pertaining to the Business or the Purchased Assets.

(d) No information received pursuant to an investigation made under this Section 8.2 shall be deemed to (i) qualify, modify, amend or otherwise affect any representations, warranties, covenants or other agreements of Seller set forth in this Agreement or any certificate or other instrument delivered to the Purchaser in connection with the

transactions contemplated hereby, (ii) amend or otherwise supplement the information set forth in the Seller Disclosure Schedule, (iii) limit or restrict the remedies available to the parties under applicable Law arising out of a breach of this Agreement or otherwise available at Law or in equity, or (iv) limit or restrict the ability of either party to invoke or rely on the conditions to the obligations of the parties to consummate the transactions contemplated by this Agreement set forth in Article IX.

8.3 Assignability of Certain Contracts, Etc. To the extent that the assignment to the Purchaser of any Assigned Contract or Assumed Permit pursuant to this Agreement is not permitted without the consent of a third party and such restriction cannot be effectively overridden or canceled by the Sale Order or other related order of the Bankruptcy Court, then this Agreement will not be deemed to constitute an assignment of or an undertaking or attempt to assign such Assigned Contract or Assumed Permit, as applicable, or any right or interest therein unless and until such consent is obtained; provided, however, that the parties hereto will use their commercially reasonable efforts, before the Closing, to obtain all such consents; provided, further, that if any such consents are not obtained prior to the Closing Date, Seller and the Purchaser will reasonably cooperate with each other in any lawful and feasible arrangement designed to provide the Purchaser (such arrangement to be at the sole cost and expense of the Purchaser) with the benefits and obligations of any such Assigned Contract and the Purchaser shall be responsible for performing all obligations under such Assigned Contract required to be performed by Seller on or after the Closing Date to the extent set forth in this Agreement.

8.4 Rejected Contracts. Seller shall not reject any Assigned Contract in any bankruptcy proceeding following the date hereof without the prior written consent of the Purchaser.

8.5 Further Agreements. The Purchaser authorize and empower Seller from and after the Closing Date to receive and to open all mail received by Seller relating to the Purchased Assets, the Business or the Assumed Liabilities and to deal with the contents of such communications in accordance with the provisions of this Section 8.5. Seller shall (i) promptly deliver to the Purchaser any mail or other communication received by them after the Closing Date and relating to the Purchased Assets, the Business or the Assumed Liabilities, (ii) promptly transfer in immediately available funds to the Purchaser any cash, electronic credit or deposit received by such Seller but solely to the extent that such cash, electronic credit or deposit are Purchased Assets and (iii) promptly forward to the Purchaser any checks or other instruments of payment that it receives but solely to the extent that such checks or other instruments are Purchased Assets. The Purchaser shall (x) promptly deliver to Seller any mail or other communication received by it after the Closing Date and relating to the Excluded Assets or the Excluded Liabilities, (y) promptly wire transfer in immediately available funds to Seller, any cash, electronic credit or deposit received by the Purchaser but solely to the extent that such cash, electronic credit or deposit are Excluded Assets and (z) promptly forward to Seller any checks or other instruments of payment that it receives but solely to the extent that such checks or other instruments are Excluded Assets. From and after the Closing Date, Seller shall refer all inquiries with respect to the Business, the Purchased Assets and the Assumed Liabilities to the Purchaser, and the Purchaser shall refer all inquiries with respect to the Excluded Assets and the Excluded Liabilities to Seller.

8.6 Further Assurances.

(a) Subject to the terms and conditions of this Agreement (including Section 7.2) and applicable Law, Seller and the Purchaser shall use their respective commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective the transactions contemplated by this Agreement as soon as practicable, and shall coordinate and cooperate with each other in exchanging information, keeping the other party reasonably informed with respect to the status of the matters contemplated by this Section 8.6 and supplying such reasonable assistance as may be reasonably requested by the other party in connection with the matters contemplated by this Section 8.6. Without limiting the foregoing, following the Execution Date and until the date on which this Agreement is terminated in accordance with Section 3.4, the parties shall use their commercially reasonable efforts to take the following actions but solely to the extent that such actions relate to the transactions contemplated by this Agreement:

(i) obtain any required consents, approvals (including Regulatory Approvals), waivers, Permits, authorizations, registrations, qualifications or other permissions or actions by, and give all necessary notices to, and make all filings with, and applications and submissions to, any Governmental Body or third party and provide all such information concerning such party as may be necessary or reasonably requested in connection with the foregoing;

(ii) avoid the entry of, or have vacated or terminated, any injunction, decree, order, or judgment that would restrain, prevent, or delay the consummation of the transactions contemplated hereby;

(iii) take any and all reasonably necessary steps to avoid or eliminate every impediment under any applicable Law that is asserted by any Governmental Body with respect to the transactions contemplated hereby so as to enable the consummation of such transactions to occur as expeditiously as possible; and

(iv) execute, acknowledge and deliver all such further conveyances, notices, assumptions, releases and acquaintances and such other instruments, and cooperate and take such further actions, as may be reasonably necessary or appropriate to transfer and assign fully to the Purchaser and their successors and assigns, all of the Purchased Assets, and for the Purchaser and their successors and assigns, to assume the Assumed Liabilities, and to otherwise make effective the transactions contemplated hereby and thereby.

Subject to the terms and conditions of this Agreement, the parties shall not take any action or refrain from taking any action the effect of which would be to delay or impede the ability of Seller and the Purchaser to consummate the transactions contemplated by this Agreement, unless in such party's reasonable judgment, taking such action or refraining from taking such action is consistent with achieving the ultimate objective or consummating the transactions contemplated hereby or is required by applicable Law.

(b) Following the Execution Date and until the earlier of the Closing Date and the date on which this Agreement is terminated in accordance with Section 3.4, Seller, on the one hand, and the Purchaser, on the other hand, shall keep each other reasonably informed as to the status of matters relating to the completion of the transactions contemplated hereby, including promptly furnishing the other with copies of notices or other communications received by Seller or the Purchaser or by any of their respective Affiliates (as the case may be), from any third party and/or any Governmental Body with respect to the transactions contemplated by this Agreement.

(c) The obligations of Seller pursuant to this Section 8.6 shall be subject to any orders entered, or approvals or authorizations granted or required, by or under the Bankruptcy Court or the Bankruptcy Code (including in connection with the Chapter 11 Case), and Seller's obligations as a debtor in possession to comply with any order of the Bankruptcy Court (including the Bidding Procedures Order and the Sale Order) and Seller's duty to seek and obtain the highest or otherwise best price for the Business as required by the Bankruptcy Code. Following the Closing, Purchaser shall provide to Seller such further assistance as reasonably requested with respect to completion of all returns, filings and documentation and actions necessary or appropriate to administer the bankruptcy estate.

8.7 Preservation of Records. The Seller and the Purchaser agree that each of them shall preserve and keep the records held by them or their Affiliates relating to the Business, the Purchased Assets and Assumed Liabilities for a period of five (5) years from the Closing Date, in the case of the Purchaser, and until the closing of the Chapter 11 Case or the liquidation and winding up of Seller's estate, in the case of Seller, and shall make such records available to the other party as may be reasonably required by such other party in connection with, among other things, any insurance claims by, actions or tax audits against or governmental investigations of Seller or the Purchaser or any of their respective Affiliates or in order to enable Seller or the Purchaser to comply with their respective obligations under this Agreement and each other agreement, document or instrument contemplated hereby or thereby. In the event Seller or the Purchaser wishes to destroy such records at the end of such five (5) year period, such party shall first give sixty (60) days prior written notice to the other party and such other party shall have the right at its option and expense, upon prior written notice given to such party within such sixty (60) day period, to take possession of the records within one hundred and twenty (120) days after the date of such notice, or such shorter period as the liquidation and winding up of Seller's estate shall permit.

8.8 Publicity. The Seller or the Purchaser may issue a press release or public announcement concerning this Agreement or the transactions contemplated hereby only with the prior written approval of the other parties hereto, which approval will not be unreasonably withheld, conditioned or delayed, unless, in the sole judgment of the disclosing party, such disclosure is otherwise required by applicable Law or by the Bankruptcy Court with respect to filings to be made with the Bankruptcy Court in connection with this Agreement. Without limiting the generality of the foregoing sentence, the party intending to make such release shall use its commercially reasonable efforts, consistent with such applicable Law or Bankruptcy Court requirement, to consult with the other parties with respect to the text thereof.

8.9 Notification of Certain Matters. Seller shall give prompt notice to the Purchaser, and the Purchaser shall give prompt notice to Seller, of (i) any notice or other communication

from any Person alleging that the consent of such Person which is or may be required in connection with the transactions contemplated by this Agreement is not likely to be obtained prior to Closing and (ii) any written objection or proceeding that challenges the transactions contemplated hereby or the entry of the approval of the Bankruptcy Court. To the extent permitted by applicable Law, Seller shall give prompt notice to the Purchaser of (i) any notice of any alleged violation of Law applicable to Seller, (ii) the commencement of any investigation, inquiry or review by any Governmental Body with respect to the Business or that any such investigation, inquiry or review, to the Knowledge of Seller, is contemplated, (iii) the infringement or unauthorized use by any Person of any material Intellectual Property (of which Seller has Knowledge) and (iv) the execution of any Material Contract entered into other than in the Ordinary Course of Business (and Seller shall deliver or make available a copy thereof to the Purchaser).

#### 8.10 Final Payroll.

(a) In the event that the Closing occurs on February 22, 2009 or February 23, 2009, and based on the understanding that, as a result thereof, Seller is obligated to pay the payroll for its Employees for the payroll period ending February 21, 2009, then (i) Purchaser shall fund the entire payroll and related obligations for the payroll for Seller's Employees for the payroll period ending February 21, 2009 by means of depositing sufficient liquid funds into Seller's present payroll processing service, Ceridian Trust ("Ceridian") sufficiently in advance to permit Ceridian to fund such payroll by no later than February 27, 2009, (ii) Seller shall not reserve or maintain as Excluded Cash any such amounts for payroll attributable to such payroll period ending February 21, 2009, and (iii) Purchaser shall assume and satisfy in full any and all such payroll and payroll-related obligations from and after the payroll period ending February 21, 2009.

(b) The parties expressly direct and agree that Ceridian shall process such payroll and process all end of year tax filings, W-2's and other documentation, instruments and certificates as required or appropriate, and Purchaser shall pay the entire amount of such costs and expenses.

(c) The parties further contemplate that Purchaser shall, at least initially, use Ceridian for all subsequent payrolls, including, without limitation, the next regular payroll following the Closing Date, and that Ceridian shall use, for any subsequent payrolls, all new tax accounts assigned to Purchaser for all such subsequent payrolls; provided, however, that, to the extent that Ceridian needs to make any distribution or take any action to address any errors, omissions or corrections, or as otherwise required by law, Purchaser shall fund all such obligations and payments, and shall pay all costs and expenses of such payroll and services provided in connection therewith.

(d) The provisions hereof shall not be deemed to obligate Seller to pay any payroll obligation or other obligation of Purchaser from and after the Closing Date, nor shall they be deemed to modify the provisions of Section 1.1(c) above except as otherwise expressly provided in Section 8.10(a) above.

## ARTICLE IX.

### CONDITIONS TO CLOSING

9.1 Conditions Precedent to the Obligations of the Purchaser and Seller. The respective obligations of each party to this Agreement to consummate the transactions contemplated by this Agreement are subject to the satisfaction or written waiver, on or prior to the Closing Date, of each of the following conditions (any or all of which may be waived in writing by Seller and Purchaser in whole or in part to the extent permitted by applicable Law):

(a) there shall not be in effect any statute, rule, regulation, executive order enacted, issued, entered or promulgated by a Governmental Body of competent jurisdiction restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated hereby;

(b) the Bankruptcy Court shall have entered the Bidding Procedures Order and Sale Order (as provided in Article VII) and each of such orders shall be a Final Order and in form and substance reasonably satisfactory to Seller, the Purchaser and the DIP Lender, which orders shall not have been reversed, modified, amended or stayed; and

9.2 Conditions Precedent to the Obligations of Seller. The obligations of Seller to consummate the transactions contemplated by this Agreement are subject to the fulfillment, on or prior to the Closing Date, of each of the following conditions (any or all of which may be waived in writing by Seller in whole or in part to the extent permitted by applicable Law):

(a) the representations and warranties of the Purchaser set forth in Article V hereof shall be true and correct as of the Closing Date as though made on and as of the Closing Date (except for such representations and warranties made as of a certain date, which shall be true and correct as of such date as though made on and as of such date) except where the failure of such representations or warranties to be true and correct (without giving effect to any limitation or qualification as to "materiality" or "material adverse effect" set forth in such representations and warranties) has not had and would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the Purchaser' ability to consummate the transactions contemplated hereby, and Seller shall have received a certificate signed by an authorized officer of the Purchaser, dated the Closing Date, to the foregoing effect;

(b) the Purchaser shall have performed and complied in all material respects with all obligations and agreements required by this Agreement to be performed or complied with by the Purchaser on or prior to the Closing Date, including, without limitation, Purchaser providing adequate assurance of future performance as required under the Bankruptcy Code to effect the assumption and assignment of the Assigned Contracts and Assumed Liabilities, and Seller shall have received a certificate signed by an authorized officer of the Purchaser, dated the Closing Date, to the foregoing effect; and

(c) the Purchaser shall have delivered, or caused to be delivered, to Seller all of the items set forth in Section 3.3;

(d) the Purchaser shall have delivered all portions of the Purchase Price in accordance with Section 2.1; and

(e) the Purchaser shall have delivered to Seller appropriate evidence of all necessary company action by the Purchaser in connection with the transactions contemplated hereby, including, without limitation: (i) certified copies of resolutions duly adopted by the Purchaser's partners or board approving the transactions contemplated by this Agreement and authorizing the execution, delivery, and performance by the Purchaser of this Agreement; and (ii) a certificate as to the incumbency of officers of the Purchaser executing this Agreement and any instrument or other document delivered in connection with the transactions contemplated by this Agreement.

9.3 Conditions Precedent to the Obligations of the Purchaser. The obligations of Purchaser to consummate the transactions contemplated by this Agreement are subject to the fulfillment, on or prior to the Closing Date, of each of the following conditions (any or all of which may be waived in writing by the Purchaser in whole or in part to the extent permitted by applicable Law):

(a) Seller shall have delivered to the Purchaser (i) a certified copy of the Sale Order (which shall contain the terms described in Section 7.2) and (ii) copies of all affidavits of service of the Sale Motion or notice of such motion filed by or on behalf of Seller (which service shall comply with Section 7.1(f));

(b) the representations and warranties of Seller set forth in Article IV hereof shall be true and correct as of the Closing Date as though made on and as of the Closing Date (except for such representations and warranties made as of a certain date, which shall be true and correct as of such date as though made on and as of such date) except where the failure of such representations or warranties to be true and correct (without giving effect to any limitation or qualification as to "materiality" or "Material Adverse Effect" set forth in such representations and warranties) has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, and the Purchaser shall have received a certificate signed by an authorized officer of 3 Day Blinds, Inc., dated the Closing Date, to the foregoing effect;

(c) Seller shall have performed and complied in all material respects with all obligations and agreements required in this Agreement to be performed or complied with by them on or prior to the Closing Date (including, without limitation, the obligations set forth in Section 8.11), and the Purchaser shall have received a certificate signed by an authorized officer of 3 Day Blinds, Inc., dated such Closing Date, to the foregoing effect;

(d) Except as provided in Section 8.3, and provided Purchaser have provided adequate assurance of future performance as required under the Bankruptcy Code to effect the assumption and assignment of the Assigned Contracts, all of the Assigned Contracts set forth on Schedule 9.3(d) shall (i) be in full force and effect on the Closing Date, subject to the Bankruptcy Exception, (ii) be assignable to the Purchaser without the consent of the counterparty to such Assigned Contract for such assignment (or such consent shall have been received prior to the Closing Date) and (iii) have had the amount of all of Seller's breaches and defaults

thereunder finalized to the best of the Seller's ability, such that the Cure Costs may be paid by the Purchaser (or creation of reserves therefor) in accordance with the Sale Order.

(e) Seller shall have delivered, or caused to be delivered, to the Purchaser all of the items set forth in Section 3.2;

(f) the Assumed Permits, including, without limitation, the Material Permits, shall be in full force and effect, and, to the extent assignable, shall be transferred to the Purchaser as of the Closing Date;

(g) between the Execution Date and the Closing Date, there shall not have occurred a Material Adverse Effect, unless Material Adverse Effect was caused by the Purchaser' failure to fulfill any material obligations under this Agreement;

(h) the Seller shall have complied with the sale process deadlines set forth in the Bidding Procedures Order; and

(i) the exclusive right of the Seller to file and solicit acceptances of a plan of reorganization shall not have been terminated.

9.4 Frustration of Closing Conditions. Neither Seller nor the Purchaser may rely on the failure of any condition set forth in Sections 9.1, 9.2 or 9.3, as the case may be, if such failure was caused directly by such party's failure to comply with any provision of this Agreement.

## ARTICLE X.

### ADDITIONAL DEFINITIONS

10.1 Certain Definitions. As used herein:

(a) "Accounts Receivable" means (i) any and all accounts receivable, trade accounts and other amounts receivables (including overdue accounts receivable) owed to Seller relating to the Business and other rights to payment owed to Seller and the full benefit of all security for such accounts or rights to payment relating to the sale of goods or provision of services by Seller, including all trade accounts receivable representing amounts receivable in respect of goods shipped, products sold or services rendered to the Seller's customers, in each case owing to Seller; (ii) all other accounts or notes receivable of Seller from its customers and the full benefit of all security for such accounts or notes receivable arising in the conduct of the Business; and (iii) any and all claims, remedies or other right relating to any of the foregoing, together with any interest or unpaid financing charges accrued thereon, in each case existing on the Execution Date or arising in the Ordinary Course of Business after the Execution Date and in each case that have not been satisfied or discharged prior to the close of business on the Business Day immediately preceding the Closing Date or have not been written off or sent to collection prior to the close of business on the Business Day immediately preceding the Closing Date (it being understood that the receipt of a check prior to the close of business on the Business Day immediately preceding the Closing Date shall constitute satisfaction or discharge of the applicable account or note receivable to the extent of the payment represented thereby).



(b) “Affiliate” means, with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person, and the term “control” (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by contract or otherwise.

(c) “Alternative Transaction” means (i) the approval by the Bankruptcy Court of a sale or sales of a material portion of the Purchased Assets to a third party other than Purchaser, and (ii) the filing of a plan of reorganization that does not contemplate the sale of the Purchased Assets to Purchaser in accordance with the terms hereof.

(d) “Auction Sale” has that meaning ascribed to such term by the Bidding Procedures Order.

(e) “Bidding Procedures Order” means an order substantially in the form attached hereto as **Exhibit D** and otherwise in form and substance reasonably satisfactory to Seller and the Purchaser.

(f) “Business” means any and all business activities of any kind that are conducted by Seller, including, among other things, outsourced “closed-loop” transportation services, freight distribution services, freight brokerage operations and warehouse and distribution logistics operations of Seller.

(g) “Business Day” means any day other than a Saturday, Sunday or other day on which commercial banks in New York City, New York are authorized or required by Law to be closed.

(h) “Cash and Cash Equivalents” means all of Seller’s cash (including petty cash and checks received prior to the close of business on the Closing Date) checking account balances, marketable securities, certificates of deposits, time deposits, bankers’ acceptances, commercial paper and government securities and other cash equivalents (but specifically excluding any cash payable by the Purchaser to Seller pursuant to this Agreement).

(i) “Code” means the Internal Revenue Code of 1986, as amended.

(j) “Contract” means any written or oral contract, purchase order, service order, sales order, indenture, note, bond, lease, license, commitment or instrument or other agreement, arrangement or commitment that is binding upon a Person or its property.

(k) “Cure Costs” means the amounts necessary to cure all defaults, if any, satisfy all claims due as of the Petition Date and all unliquidated claims thereunder, including, without limitation, any CAM-related charges and claims which may have not been due as of such date, and any other unliquidated claims which may have not been ascertained and/or due as of such date, and to pay all actual pecuniary losses, if any, that have resulted from such defaults, under the Assigned Contracts, in each case to the extent required by section 365 of the Bankruptcy Code and any order of the Bankruptcy Court, which amounts (if not already paid or to be paid in the Ordinary Course of Business pursuant to an order of the Bankruptcy Court)

shall be identified to Purchaser on Schedule 10.1(k) at least five (5) days prior to the Auction Sale.

(l) “DIP Loan Documents” means the “Loan Documents” as defined in the Prepetition Credit Facility, as such Loan Documents are amended, modified, supplemented or restated from time to time.

(m) “DIP Order” means the interim order or final order, as applicable, of the Bankruptcy Court approving the DIP Credit Agreement and authorizing the Seller’s incurrence of postpetition secured financing under Section 364 of the Bankruptcy Code and use of cash collateral under section 363 of the Bankruptcy Code.

(n) “Documents” means all of Seller’s written files, documents, instruments, papers, books, reports, records, tapes, microfilms, photographs, letters, budgets, forecasts, plans, operating records, safety and environmental reports, data, studies and documents, Tax Returns, ledgers, journals, title policies, customer lists, regulatory filings, operating data and plans, research material, technical documentation (design specifications, engineering information, test results, maintenance schedules, functional requirements, operating instructions, logic manuals, processes, flow charts, etc.), user documentation (installation guides, user manuals, training materials, release notes, working papers, etc.), marketing documentation (sales brochures, flyers, pamphlets, web pages, etc.), and other similar materials, in each case whether or not in electronic form.

(o) “Employee” means an individual who, as of the applicable date, is employed by Seller in connection with the Business.

(p) “Employment Loss” means (i) an employment termination, other than a discharge for cause, voluntary departure or retirement, (ii) a layoff exceeding six (6) months, (iii) a reduction in hours of work of more than fifty percent (50%) in each month of any six (6) month period or (iv) or any similar employment action that (when aggregated with any other employment action) could trigger the notice requirements of the WARN Act or any other similar state law.

(q) “Encumbrance” means any lien, encumbrance, claim (as defined in Section 101(5) of the Bankruptcy Code), right, demand, charge, mortgage, deed of trust, option, pledge, security interest or similar interests, title defects, hypothecations, easements, rights of way, restrictive covenants, encroachments, rights of first refusal, preemptive rights, judgments, conditional sale or other title retention agreements and other impositions, imperfections or defects of title or restrictions on transfer or use of any nature whatsoever.

(r) “Environmental Laws” means all Laws relating to pollution or protection of health, safety, natural resources or the environment, or the generation, use, treatment, storage, handling, transportation or Release of, or exposure to, Hazardous Materials, including, without limitation, the Federal Water Pollution Control Act (33 U.S.C. §1251 et seq.), Resource Conservation and Recovery Act (42 U.S.C. §6901 et seq.), Safe Drinking Water Act (42 U.S.C. §3000(f) et seq.), Toxic Substances Control Act (15 U.S.C. §2601 et seq.), Clean Air Act (42

U.S.C. §7401 et seq.), Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. §9601 et seq.) and other similar federal, state, provincial and local statutes.

(s) “Equipment” means all equipment, machinery, vehicles, storage tanks, furniture, fixtures and other tangible personal property of every kind and description and improvements and tooling used, or held for use, in connection with the operation of the Business and owned by the Seller, wherever located, including but not limited to, communications equipment, the IT Assets, and any attached and associated hardware, routers, devices, panels, cables, manuals, cords, connectors, cards, and vendor documents, and including all warranties of the vendor applicable thereto, to the extent such warranties are transferable, but excluding software and any other intangibles associated therewith except to the extent embedded in such Equipment and required to operate it.

(t) “ERISA Affiliate” means any entity which is a member of (A) a controlled group of corporations (as defined in Section 414(b) of the Code), (B) a group of trades or businesses under common control (as defined in Section 414(c) of the Code), (C) an affiliated service group (as defined under Section 414(m) of the Code) or (D) any group specified in regulations under Section 414(o) of the Code, any of which includes or included the Seller.

(u) “Final Order” means an order or judgment of the Bankruptcy Court or any other court of competent jurisdiction entered by the Clerk of the Bankruptcy Court or such other court on the docket in Seller’s Chapter 11 Case or the docket of such other court, which has not been modified, amended, reversed, vacated or stayed and as to which (a) the time to appeal, petition for *certiorari*, or move for a new trial, re-argument or rehearing has expired and as to which no appeal, petition for *certiorari* or motion for new trial, re-argument or rehearing shall then be pending or (b) if an appeal, writ of *certiorari* new trial, re-argument or rehearing thereof has been sought, such order or judgment of the Bankruptcy Court or other court of competent jurisdiction shall have been affirmed by the highest court to which such order was appealed, or *certiorari* shall have been denied, or a new trial, re-argument or rehearing shall have been denied or resulted in no modification of such order, and the time to take any further appeal, petition for *certiorari* or move for a new trial, re-argument or rehearing shall have expired, as a result of which such order shall have become final in accordance with Rule 8002 of the Federal Rules of Bankruptcy Procedure; provided, that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be filed relating to such order, shall not cause such order not to be a Final Order.

(v) “GAAP” means United States generally accepted accounting principles as in effect from time to time.

(w) “Governmental Body” means any government, quasi governmental entity, or other governmental or regulatory body, agency or political subdivision thereof of any nature, whether foreign, federal, state or local, or any agency, branch, department, official, entity, instrumentality or authority thereof, or any court or arbitrator (public or private) of applicable jurisdiction.

(x) “Hazardous Materials” means petroleum and all derivatives thereof or synthetic substitutes therefor, asbestos and asbestos containing materials, and any and all

materials now or hereafter defined, listed, designated or classified as, or otherwise determined to be, "hazardous wastes," "hazardous substances," "radioactive," "solid wastes," or "toxic" (or words of similar meaning) under or pursuant to or otherwise listed or regulated pursuant to any Environmental Law.

(y) "Income Taxes" shall mean all Taxes based upon, measured by, or calculated with respect to gross or net income or gross or net receipts or profits, including any interest, penalty or addition thereto.

(z) "Indebtedness" of any Person means, without duplication, (i) the interest in respect of, principal of and premium (if any) in respect of (x) indebtedness of such Person for money borrowed and (y) indebtedness evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable; (ii) all obligations of such Person issued or assumed as the deferred purchase price of property; (iii) all obligations of such Person under leases required to be capitalized in accordance with GAAP; (iv) all obligations of such Person for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction; (v) all obligations of the type referred to in clauses (i) through (iv) of any Persons for the payment of which such Person is responsible or liable, directly or indirectly, as obligor, guarantor, surety or otherwise, including guarantees of such obligations; and (vi) all obligations of the type referred to in clauses (i) through (v) of other Persons secured by any Encumbrance (other than Permitted Encumbrances), on any property or asset of such Person (whether or not such obligation is assumed by such Person).

(aa) "Intellectual Property" means all intellectual property and proprietary rights of any kind, including the following: (i) trademarks, service marks, trade names, slogans, logos, trade dress, internet domain names, uniform resource identifiers, rights in design, brand names, and other similar designations of source or origin, together with all goodwill, registrations and applications related to the foregoing; (ii) patents, utility models and industrial design registrations (and all continuations, divisionals, continuations in part, provisionals, renewals, reissues, re-examinations and applications for any of the foregoing); (iii) copyrights and copyrightable subject matter (including without limitation any registration and applications for any of the foregoing); (iv) trade secrets and other confidential or proprietary business information (including manufacturing and production processes and techniques, research and development information, technology, drawings, specifications, designs, plans, proposals, technical data, financial, marketing and business data, pricing and cost information, business and marketing plans, customer and supplier lists and information), know how, proprietary processes, formulae, algorithms, models, and methodologies; (v) computer software, computer programs, and databases (whether in source code, object code or other form); and (vi) all rights to sue for past, present and future infringement, misappropriation, dilution or other violation of any of the foregoing and all remedies at law or equity associated therewith.

(bb) "Inventory" means all of Seller's inventories of raw materials, office supplies, works in progress, goods, spare parts and replacement and component parts and fuel that are used, or held for use, in connection with the operation of the Business.

(cc) "IT Assets" means all of Seller's computers, computer software and databases (including source code, object code and all related documentation), firmware,

middleware, servers, workstations, routers, hubs, switches, data communications lines, and all other information technology equipment and elements, and all associated documentation that are used, or held for use, in connection with the operation of the Business.

(dd) “Knowledge of Seller” (or “Seller’s Knowledge”) means the actual knowledge of Michael Bush and Opal Ferraro, in each case, including facts of which such individuals should be aware in the reasonably prudent exercise of their duties.

(ee) “Laws” means all federal, state, local or foreign laws, statutes, common law, rules, codes, regulations, restrictions, ordinances, orders, decrees, approvals, directives, judgments, rulings, injunctions, writs and awards of, or issued, promulgated, enforced or entered by, any and all Governmental Bodies, or court of competent jurisdiction, or other requirement or rule of law.

(ff) “Leased Real Property” means all of the real property leased, subleased, licensed, used or occupied by Seller, together with all buildings, structures, fixtures and improvements erected thereon, and any and all rights privileges, easements, licenses, hereditaments and other appurtenances relating thereto, and used, or held for use, in connection with the operation of the Business.

(gg) “Liability” means, as to any Person, any debt, adverse claim, liability, duty, responsibility, obligation, commitment, assessment, cost, expense, loss, expenditure, charge, fee, penalty, fine, contribution or premium of any kind or nature whatsoever, whether known or unknown, asserted or unasserted, absolute or contingent, direct or indirect, accrued or unaccrued, liquidated or unliquidated (including, without limitation, CAM-related charges and claims which may have not been due as of such date, and any other unliquidated claims which may have not been ascertained and/or due as of such date), or due or to become due, and regardless of when sustained, incurred or asserted or when the relevant events occurred or circumstances existed, including all costs and expenses relating thereto.

(hh) “Licensed Intellectual Property” means any Intellectual Property that is licensed to Seller, and used, or held for use, in connection with the operation of the Business.

(ii) “Material Adverse Effect” means any event, circumstance, change, occurrence or state of facts that has had, or would reasonably be expected to have, a material adverse effect on the (i) assets, Liabilities, Business, operations, properties, condition (financial or otherwise) or results of operations of the Business, taken as a whole, or (ii) the ability of Seller to consummate the transactions contemplated by this Agreement or perform their obligations under this Agreement except, in each case, for any such effect resulting from any of the following: (A) any action by the Purchaser or any of its Affiliates or the omission of an action that was required to be taken by the Purchaser or any of its Affiliates, (B) any action taken by Seller at the request or with the prior written consent of the Purchaser or (C) the commencement of the Chapter 11 Case.

(jj) “Ordinary Course of Business” means the ordinary and usual course of normal day to day operations of the Business consistent with past practice.

(kk) "Owned Intellectual Property" means all Intellectual Property owned by Seller, and used, or held for use, in connection with the operation of the Business.

(ll) "Permits" means all notifications, licenses, permits (including environmental, construction and operation permits), franchises, certificates, approvals, consents, waivers, clearances, exemptions, classifications, registrations, variances, orders, tariffs, rate schedules and other similar documents and authorizations issued by any Governmental Body to Seller and used, or held for use, in connection with the operation of the Business or applicable to ownership of the Purchased Assets or assumption of the Assumed Liabilities.

(mm) "Permitted Encumbrances" means (i) Encumbrances for utilities and current Taxes not yet due and payable or being contested in good faith; (ii) easements, rights of way, restrictive covenants, encroachments and similar non-monetary encumbrances or non-monetary impediments against any of the Purchased Assets which do not, individually or in the aggregate, adversely affect the operation of the Business and, in the case of the Assumed Leased Real Property, which do not, individually or in the aggregate, adversely affect the use or occupancy of such Assumed Leased Real Property as it relates to the operation of the Business or materially detract from the value of the Assumed Leased Real Property, (iii) applicable zoning Laws, building codes, land use restrictions and other similar restrictions imposed by Law, (iv) materialmans', mechanics', artisans', shippers', warehousemen or other similar common law or statutory liens incurred in the Ordinary Course of Business and (v) such other Encumbrances or title exceptions as the Purchaser may approve in writing in its sole discretion or which do not, individually or in the aggregate, adversely affect the operation of the Business.

(nn) "Person" means an individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization, labor union, estate, Governmental Body or other entity or group.

(oo) "Petition Date" means the date on which the Seller commenced the Chapter 11 Case.

(pp) "Post-Closing Tax Period" means any Tax Period or any portion of a Tax Period beginning after the Closing Date.

(qq) "Pre-Closing Tax Period" means any Tax Period or any portion of a Tax Period ending on or before the Closing Date.

(rr) "Prepetition Credit Facility" means that certain Credit Agreement, dated as of July 7, 2006, by and among TPG-Rosewood, as successors to CIT Lending Services Corporation time to time party thereto, TPG, as Administrative Agent (in its capacity as Administrative Agent, the "Prepetition Agent"), as amended, modified, supplemented or restated from time to time.

(ss) "Prepetition Loan Documents" means the "Loan Documents" as defined in the Prepetition Credit Facility, as such Loan Documents are amended, modified, supplemented or restated from time to time.

(tt) "Regulatory Approvals" means any consents, waivers, approvals, orders Permits or authorizations of any Governmental Body required in connection with the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereunder.

(uu) "Release" means, with respect to any Hazardous Material, any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing or migrating into or through any surface or ground water, drinking water supply, soil, surface or subsurface strata or medium, or the ambient air.

(vv) "Sale Hearing" means the hearing to approve this Agreement and seeking entry of the Sale Order.

(ww) "Sale Motion" means the motion or motions of Seller, in form and substance reasonably acceptable to Seller and Purchaser, seeking approval and entry of the Sale Order.

(xx) "Sale Order" means an order substantially in the form attached hereto as Exhibit C and otherwise in form and substance reasonably satisfactory to Seller and the Purchaser.

(yy) "Seller Plan" means (i) all "employee benefit plans" (as defined in Section 3(3) of ERISA), including all employee benefit plans which are "pension plans" (as defined in Section 3(2) of ERISA) and any other employee benefit arrangements or payroll practices (including, without limitation, vacation pay, company awards, salary continuation for disability, sick leave, death benefit, hospitalization, welfare benefit, group or individual health, dental, medical, life, insurance, survivor benefit, deferred compensation, profit sharing, retirement, retiree medical, supplemental retirement, bonus or other incentive compensation, stock purchase, stock option, stock appreciation rights, restricted stock and phantom stock arrangements or policies) and (ii) all material employment, bonus, collective bargaining or other similar contracts or agreements, whether formal or informal, written or oral, in each case to which Seller or any ERISA Affiliate is a party, with respect to which Seller or any ERISA Affiliate has any obligation or which are maintained by Seller or any ERISA Affiliate or to which Seller or an ERISA Affiliate contributes or is obligated to contribute with respect to current or former directors, officers, consultants and employees of Seller.

(zz) "Seller Intellectual Property" means any Intellectual Property that is owned by or licensed to Seller, and used, or held for use, in connection with the operation of the Business.

(aaa) "Tax" and "Taxes" mean any and all taxes, charges, fees, tariffs, duties, impositions, levies or other assessments, imposed by any Governmental Body, and include any interest, penalties or additional amounts attributable to, or imposed upon, or with respect to, Taxes and include any Liability for the Taxes of any other Person as a transferee or successor, by law, contract or otherwise.

(bbb) "Tax Return" means any return, report, information return, declaration, claim for refund or other document (including any schedule or related or supporting information)

supplied or required to be supplied to any Governmental Body with respect to Taxes, including amendments thereto.

(ccc) "WARN Act" means the United States Worker Adjustment and Retraining Notification Act, and the rules and regulations promulgated thereunder, as such may be amended from time to time.

## ARTICLE XI.

### TAXES

#### 11.1 Additional Tax Matters.

(a) Any sales, use, purchase, transfer, franchise, deed, fixed asset, stamp, documentary stamp, use or other Taxes and recording charges which may be payable by reason of the sale of the Purchased Assets or the assumption of the Assumed Liabilities under this Agreement or the transactions contemplated herein shall be borne and timely paid by the Purchaser as an Assumed Liability, and the Purchaser shall indemnify, defend (with counsel reasonably satisfactory to the Seller), protect, and save and hold Seller harmless from and against any and all claims, charges, interest or penalties assessed, imposed or asserted in relation to any such Taxes.

(b) The Purchaser shall, within the later of (i) 120 days after the Closing Date, or (ii) 30 days prior to the date by which Seller's federal income Tax Returns must be filed, prepare and deliver to Seller for its consent (which consent shall not be unreasonably withheld, delayed or conditioned) a schedule allocating the Purchase Price (and any other items that are required for federal income tax to be treated as Purchase Price) among the Purchased Assets (such schedule, the "Allocation"). If Seller raises any objection to the Allocation within ten (10) days of the receipt thereof, the Purchaser and Seller will negotiate in good faith to resolve such objection(s). The Purchaser and Seller shall report and file all Tax Returns (including amended Tax Returns and claims for refund) consistent with the Allocation as finally agreed upon, and shall take no position contrary thereto or inconsistent therewith (including, without limitation, in any audits or examinations by any Governmental Body or any other proceeding) without first giving the other party prior written notice; provided, however, that nothing contained herein shall prevent Purchaser or Seller from settling any proposed deficiency or adjustment by any Governmental Body based upon or arising out of the Allocation, and neither Purchaser or Seller shall be required to litigate before any court any proposed deficiency or adjustment by any Governmental Body challenging such Allocation. The Purchaser and Seller shall cooperate in the filing of any forms (including Form 8594 under section 1060 of the Code) with respect to such Allocation, including any amendments to such forms required pursuant to this Agreement with respect to any adjustment to the Purchase Price. If and to the extent the parties are unable to agree on such Allocation, the parties shall retain a mutually agreed upon accounting firm of national repute to resolve such dispute. Notwithstanding any other provision of this Agreement, the terms and provisions of this Section 11.1(b) shall survive the Closing without limitation.



## ARTICLE XII.

### MISCELLANEOUS

12.1 Payment of Expenses. Except as otherwise provided in this Agreement and the Bidding Procedures Order and whether or not the transactions contemplated hereby are consummated, Seller and Purchaser shall, subject to section 12.12 below, bear their own expenses incurred or to be incurred in connection with the negotiation and execution of this Agreement and each other agreement, document and instrument contemplated by this Agreement and the consummation of the transactions contemplated hereby and thereby.

12.2 Survival of Representations and Warranties; Survival of Confidentiality. The parties hereto agree that the representations and warranties contained in this Agreement shall expire upon the Closing Date. The parties hereto agree that the covenants contained in this Agreement to be performed at or after the Closing shall survive in accordance with the terms of the particular covenant or until fully performed.

12.3 Entire Agreement; Amendments and Waivers. This Agreement (including the schedules and exhibits hereto) represents the entire understanding and agreement between the parties hereto with respect to the subject matter hereof. This Agreement may be amended, supplemented or changed, and any provision hereof may be waived, only by written instrument making specific reference to this Agreement signed by the party against whom enforcement of any such amendment, supplement, modification or waiver is sought. No action taken pursuant to this Agreement, including without limitation, any investigation by or on behalf of any party shall be deemed to constitute a waiver by the party taking such action of compliance with any representation, warranty, covenant or agreement contained herein. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a further or continuing waiver of such breach or as a waiver of any other or subsequent breach. No failure on the part of any party to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such party preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All remedies hereunder are cumulative and are not exclusive of any other remedies provided by applicable Law.

12.4 Counterparts. For the convenience of the parties hereto, this Agreement may be executed (by facsimile or PDF signature) in any number of counterparts, each such counterpart being deemed to be an original instrument, and all such counterparts shall together constitute the same agreement.

12.5 Governing Law. THIS AGREEMENT IS TO BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH FEDERAL BANKRUPTCY LAW, TO THE EXTENT APPLICABLE, AND WHERE STATE LAW IS IMPLICATED, THE LAWS OF THE STATE OF DELAWARE SHALL GOVERN, WITHOUT GIVING EFFECT TO THE CHOICE OF LAW PRINCIPLES THEREOF, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE.

12.6 Jurisdiction, Waiver of Jury Trial.

(a) THE BANKRUPTCY COURT WILL HAVE JURISDICTION OVER ANY AND ALL DISPUTES BETWEEN OR AMONG THE PARTIES, WHETHER IN LAW OR EQUITY, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY AGREEMENT CONTEMPLATED HEREBY; PROVIDED, HOWEVER, THAT IF THE BANKRUPTCY COURT IS UNWILLING OR UNABLE TO HEAR ANY SUCH DISPUTE, THE COURTS OF THE STATE OF DELAWARE AND THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA LOCATED IN DELAWARE WILL HAVE SOLE JURISDICTION OVER ANY AND ALL DISPUTES BETWEEN OR AMONG THE PARTIES, WHETHER IN LAW OR EQUITY, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY AGREEMENT CONTEMPLATED HEREBY.

(b) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

12.7 Notices. Unless otherwise set forth herein, any notice, request, instruction or other document to be given hereunder by any party to the other parties shall be in writing and shall be deemed duly given (i) upon delivery, when delivered personally, (ii) one (1) Business Day after being sent by overnight courier or when sent by facsimile transmission (with a confirming copy sent by overnight courier), and (iii) three (3) Business Days after being sent by registered or certified mail, postage prepaid, as follows:

If to Seller:

3 Day Blinds, Inc.  
2220 East Cerritos Avenue  
Anaheim, CA 92806  
Attention: Michael Bush  
Facsimile: (714) 634-1041

With a copy to:

SulmeyerKupetz  
333 South Hope Street  
35th Floor  
Los Angeles, California 90071  
Attn: Daniel Lev, Esq.  
Facsimile No.: 213-629-4520

If to the Purchaser:

TPG-Rosewood Acquisition, Corp.  
345 California Street, Suite 3300  
San Francisco, California 94104  
Attn: Matt Hobart  
Facsimile No.: 415-743-1685

With a copy to:

Paul, Hastings, Janofsky & Walker LLP  
191 North Wacker Drive  
30th Floor  
Chicago, Illinois 60606  
Attn: Richard A. Chesley  
Facsimile No.: (312) 499-6100

If to the Lenders:

TPG Ventures, L.P.  
345 California Street, Suite 3300  
San Francisco, California 94104  
Attn: Michael B. Farnell, Jr.  
Facsimile No.: 817-871-4088

and to:

Rosewood Capital IV Associates, L.P.  
One Maritime Plaza, Suite 1575  
San Francisco, California 94111  
Attn: Larry Clay  
Facsimile No.: 415-362-1192

and to:

Rosewood Capital IV LP  
One Maritime Plaza, Suite 1575  
San Francisco, California 94111  
Attn: Larry Clay  
Facsimile No.: 415-362-1192

with a copy to:

Paul, Hastings, Janofsky & Walker LLP  
191 North Wacker Drive  
30th Floor  
Chicago, Illinois 60606

Attn: Richard A. Chesley  
Facsimile No.: (312) 499-6100

or to such other Persons or addresses as may be designated in writing by the party to receive such notice.

12.8 Binding Effect; Assignment. This Agreement shall be binding upon the Seller and Purchaser and, subject to entry of the Bidding Procedures Order (with respect to the matters covered thereby) and the Sale Order, and inure to the benefit of the parties and their respective successors and permitted assigns, including, without limitation, any trustee or estate representative appointed in the Chapter 11 Case or any successor Chapter 7 case. Nothing in this Agreement shall create or be deemed to create any third party beneficiary rights in any Person or entity not a party to this Agreement except as provided below. No assignment of this Agreement or of any rights or obligations hereunder may be made by Seller or the Purchaser (by operation of law or otherwise) without the prior written consent of the other parties hereto and any attempted assignment without the required consents shall be void; provided, that the Purchaser may assign their rights and obligations hereunder in whole or in part to one or more wholly owned Subsidiaries of the Purchaser (each, a "Permitted Assign") (subject to the next succeeding sentence). No assignment of any obligations hereunder shall relieve the parties hereto of any such obligations. Upon any such permitted assignment, the references in this Agreement to the Purchaser shall also apply to any such assignee unless the context otherwise requires.

12.9 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of Law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in a manner adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

12.10 Injunctive Relief.

(a) The parties agree that damages at Law may be an inadequate remedy for the breach of any of the covenants, promises and agreements contained in this Agreement by the Seller, and, accordingly, the Purchaser shall be entitled to injunctive relief with respect to any such breach, including without limitation, specific performance of such covenants, promises or agreements or an order enjoining the Purchaser from any threatened, or from the continuation of any actual, breach of the covenants, promises or agreements contained in this Agreement by the Seller. The rights set forth in this Section 12.10 shall be in addition to any other rights which the Purchaser may have at Law or in equity pursuant to this Agreement.

(b) For the avoidance of doubt, the right of the Seller to receive the Purchaser Termination Fee as provided in Section 3.6(b) shall be the sole and exclusive remedy of the Seller against the Purchaser, DIP Agent, DIP Lenders, Prepetition Agent and TPG-Rosewood and any of their respective Affiliates or subsidiaries for any loss or damage suffered as a result of

termination of this Agreement by Seller or due to the Purchaser' breach of any of its obligations under this Agreement and the Seller are explicitly not entitled to (and hereby waive) any other remedy, including specific performance, for damages suffered by the Seller as a result of the termination of this Agreement for any reason.

12.11 Non Recourse. Except as expressly contemplated by this Agreement, no past, present or future director, officer, employee, incorporator, member, partner or equity holder of Seller or the Purchaser shall have any liability for any obligations or liabilities of Seller or the Purchaser under this Agreement or Seller's Documents or the Purchaser' Documents of or for any claim based on, in respect of, or by reason of, the transactions contemplated hereby and thereby.

12.12 No Waiver or Release. Notwithstanding anything herein to the contrary (other than the Purchaser Termination Fee described in Section 3.6 of this Agreement), all terms, conditions, covenants, representations and warranties contained in the DIP Loan Documents or Prepetition Loan Documents, and all rights, powers and remedies of the DIP Agent, the DIP Lenders, the Prepetition Agent and TPG-Rosewood and all of the obligations of the Seller and other Credit Parties thereunder (including, without limitation, the obligation to reimburse the Purchaser for fees and expenses incurred in connection with preparation and negotiation of this Agreement to the extent set forth therein), are reserved and are not amended, modified, limited or otherwise affected by the terms and conditions of this Agreement.

12.13 Time of the Essence. Time is of the essence in the performance of each of the obligations of the parties and with respect to all covenants and conditions to be satisfied by the parties in this Agreement and all documents, acknowledgments and instruments delivered in connection herewith.

12.14 Certain Interpretations.

(a) Unless otherwise expressly provided, for purposes of this Agreement, the following rules of interpretation shall apply:

(i) All references in this Agreement to Articles, Sections, Schedules and Exhibits shall be deemed to refer to Articles, Sections, Schedules and Exhibits to this Agreement.

(ii) All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Schedule or Exhibit but not otherwise defined therein shall be defined as set forth in this Agreement.

(iii) The Article, Section and paragraph captions herein are for convenience of reference only, do not constitute part of this Agreement and shall not be deemed to limit or otherwise affect any of the provisions hereof.

(iv) The words "include," "includes" and "including," when used herein shall be deemed in each case to be followed by the words "without limitation" (regardless or whether such words or similar words actually appear).

(v) When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded. If the last day of such period is not a Business Day, the period in question shall end on the next succeeding Business Day.

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

(vii) Any reference in this Agreement to gender shall include all genders, and words imparting the singular number only shall include the plural and vice versa.

(viii) The words such as "herein," "hereinafter," "hereof," and "hereunder" refer to this Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires.

(b) The parties hereto agree that they have been represented by legal counsel during the negotiation and execution of this Agreement and, therefore, waive the application of any Law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document shall be construed against the party drafting such agreement or document.

(c) Purchaser acknowledges hereby that Seller may not comply with the provisions of any bulk transfer laws of any jurisdiction in connection with the transactions contemplated by this Agreement.

*[Remainder of page intentionally left blank]*

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

**SELLER:**  
**3 Day Blinds, Inc.**

By: Opal Ferraro  
Name: Opal Ferraro  
Title: CFO

**PURCHASER:**  
**TPG-Rosewood Acquisition, Corp.**

By: \_\_\_\_\_  
Name:  
Title:

**LENDERS:**  
**TPG Ventures, L.P.**

By: \_\_\_\_\_  
Name:  
Title:

**Rosewood Capital IV Associates, L.P.**

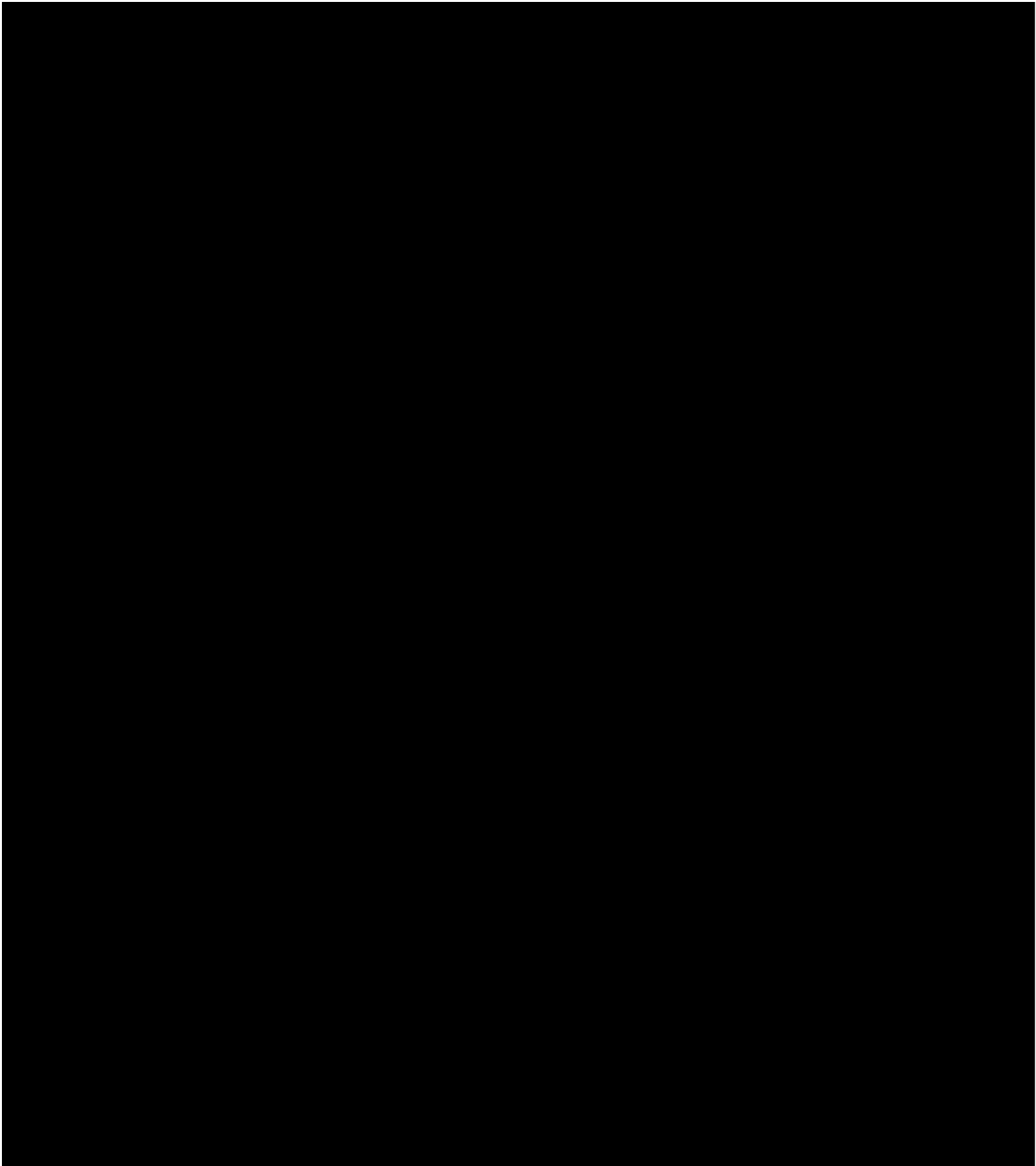
By: \_\_\_\_\_  
Name:  
Title:

**Rosewood Capital IV LP**

By: \_\_\_\_\_  
Name:  
Title:

**SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT**

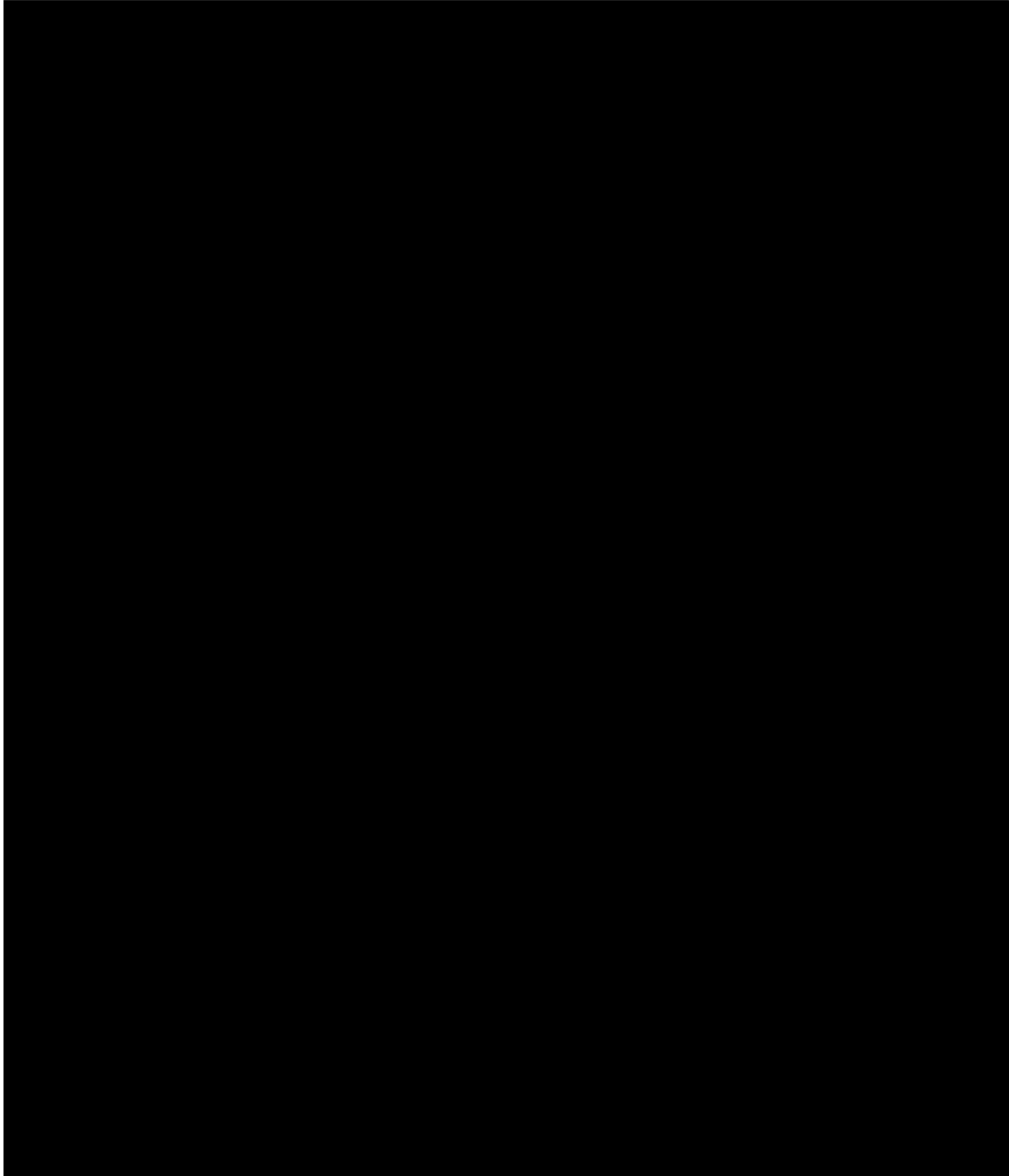
**EXHIBIT A**





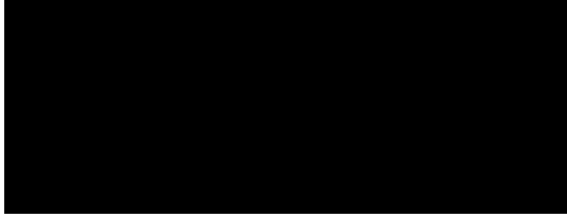


**EXHIBIT B**





**EXHIBIT C**



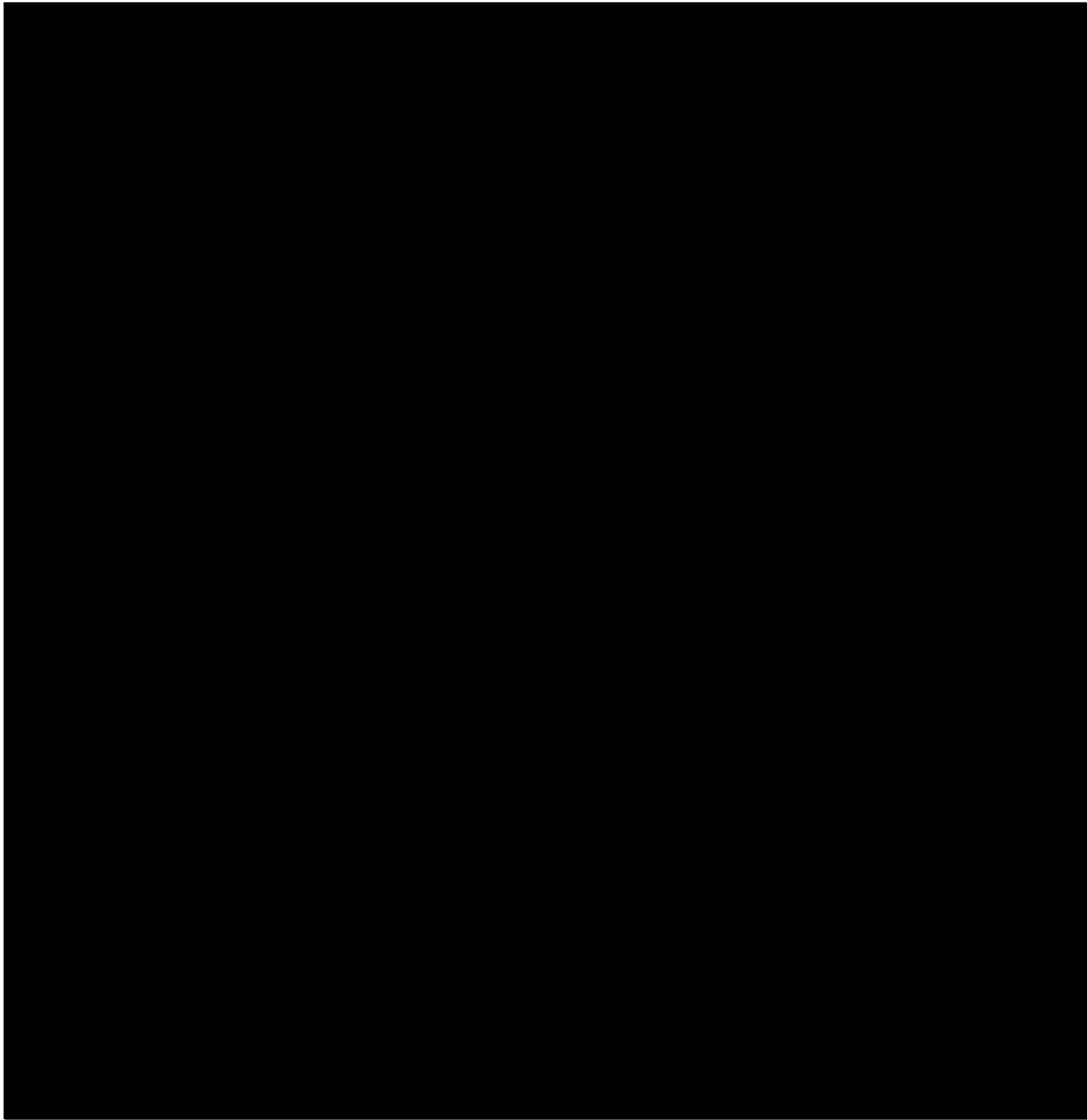
**EXHIBIT D**



**SCHEDULES TO  
ASSET PURCHASE AGREEMENT**

Schedule 1.1(e)

Deposits and Prepaid Expenses



Schedule 1.1(r) Assumed Intellectual Property and Assumed Intellectual Property Licenses

1. All trademarks, service marks, trade dress and copyrighted material for 3 Day Blinds and 3DB as listed in Disclosure Schedule 4.7.
2. All creative assets developed for marketing and sales materials for 3 Day Blinds.
3. All patents for equipment and manufacturing processes held by 3 Day Blinds as listed in Disclosure Schedule 4.1.
4. All creative developed for the 3 Day Blinds website.
5. All URLs used in 3 Day Blinds website including but not limited to:
  - a.

Domain Name	Account No.	Expiration Date
3day.com	23627070	3/22/2012
3day.net	23627070	6/7/2012
3day.org	23627070	6/7/2012
3dayblinds.com	22039662	3/22/2012
3dayblinds.net	23627070	5/28/2012
3dayblinds.org	23627070	5/28/2012
3dayguide.com	27724618	7/30/2009
3dayguide.net	27724618	7/30/2009
3dayguide.org	27724618	7/30/2009
3daynewhomeowner.com	23627070	8/20/2009
3daynewmover.com	22039662	8/20/2009
3daytv.com	22039662	8/15/2009
3daytv.net	22039662	8/15/2009
3daytv.org	22039662	8/15/2013
disneyblind.com	27724618	4/8/2011
disneyblinds.com	27724618	4/8/2011
duoshade.com	27724618	6/19/2012
shutters.com	23627070	11/12/2012
softshades.com	27724618	6/19/2012
starwarsblinds.com	27724618	4/8/2011
threeday.com	25286937	5/24/2012
transitionsblind.com	27724618	6/19/2012
transitionsblinds.com	27724618	6/19/2012



ultimablind.com	27724618	6/19/2012
ultimablinds.com	27724618	6/19/2012
ultimavertical.com	27724618	6/19/2012
ultimaverticals.com	27724618	6/19/2012

6. Internally developed software for external and internal websites and business operations.
7. Various licenses for commercially available 'off-the-shelf' application software for business operations, accounting, inventory control, etc.

TRADEMARKS

Title	Application No.	Application Filing Date	Registration No.	Registration Date
3 DAY BLINDS & Design	660185	6/18/1990	427716	5/27/1994
3 DAY BLINDS & Design	-----	-----	84196	5/14/1987
3 DAY BLINDS & Design	93045186	6/10/1993	725223	1/14/1995
3 DAY BLINDS	160631	2/12/1993	455770	2/12/1993
3 DAY BLINDS & Design	73/646048	2/24/1987	1497759	7/26/1988
3DB and Design	-----	-----	86390	12/31/1987
3DB and Design	73/692920	11/2/1987	1507197	10/4/1988
TRANSITIONS	74/111810	10/31/1990	1693043	6/9/1992
TRANSITIONS (stylized letters)	74/139864	2/19/1991	1719487	9/22/1992
3 DAY BLINDS (Chinese Characters)	93045187	6/10/1993	725222	1/14/1995
ULTIMA	74/462297	11/23/1993	1975201	5/21/1996

Title	Application No.	Application Filing Date	Registration No.	Registration Date
DUST-LESS	75/098437	5/3/1996	2124319	12/23/1997
LIGHT-LESS	75/547535	9/3/1998	2416283	12/26/2000
DUOSHADE	75/572041	10/16/1998	2392142	10/3/2000
VIRTUAL WOOD	75/707676	5/17/1999	2420057	1/9/2001
AMERICAS WINDOW COVERING SPECIALIST	75/836688	10/29/1999	2443574	4/10/2001
STARLIGHT and Design	76/103591	8/7/2000	2541711	2/19/2002
ARIZONA'S WINDOW COVERING SPECIALISTS	-----	-----	44991	6/18/2001
3 DAY BLINDS CALIFORNIA'S WINDOW COVERING SPECIALISTS	-----	-----	55105	7/18/2001
5 DAY BLINDS IDAHO'S WINDOW COVERING SPECIALISTS	-----	-----	16989	7/16/2001
ILLINOIS' WINDOW COVERING SPECIALIST	-----	-----	86514	1/4/2001
MISSOURI'S WINDOW COVERING SPECIALIST	-----	-----	S015320	1/22/2001

Title	Application No.	Application Filing Date	Registration No.	Registration Date
NEBRASKA'S WINDOW COVERING SPECIALISTS	-----	-----	1000196744	3/30/2001
NEVADA'S WINDOW COVERING SPECIALISTS	-----	-----	Vol. 33, Page 636	2/14/2001
NEW MEXICO'S WINDOW COVERING SPECIALISTS	-----	-----	TK01060503	6/5/2001
OHIO'S WINDOW COVERING SPECIALIST	-----	-----	1218362	2/26/2001
OREGON'S WINDOW COVERING SPECIALIST	-----	-----	S-34816	1/11/2001
UTAH'S WINDOW COVERING SPECIALIST	-----	-----	4858479-0190	1/4/2001
WASHINGTON'S WINDOW COVERING SPECIALIST	-----	-----	29445	1/2/2001
COLORADO'S WINDOW COVERING SPECIALISTS	-----	-----	20011011387	1/17/2001
SOLAIRE PRIVACY BLIND and Design	76/248310	4/30/2001	2608241	8/13/2002
R-HOUSE (block letters)	78/594733	3/24/2005	-----	-----
SIERRA SHUTTERS	76/334773	11/6/2001	2718019	5/20/2003

Title	Application No.	Application Filing Date	Registration No.	Registration Date
IMPROVING NATURE'S BEST	76/335034	1/16/2001	2716484	5/13/2003
SEDONA SHUTTERS	76/354200	1/2/2002	2818007	2/24/2004
SUNCREST SHUTTERS	76/383582	3/14/2002	2795703	12/16/2003
CORONADO VALANCE	76/383139	3/18/2002	2798732	12/23/2003
ITS YOUR HOME. DO IT RIGHT	76/391821	4/3/2002	2805531	1/13/2004
LAKESHORE SHUTTERS	78/154790	8/15/2002	2861356	7/6/2004
WOODRIDGE (stylized)	-----	-----	5330546	6/2/2003
WOODRIDGE	-----	-----	M17737	6/2/2003
IDESIGN	78/256218	5/30/2003	2968426	7/12/2005
TILT MAGIC (block letters)	78/326733	11/12/2003	2958592	5/31/2005
EVOLUTIONS (block letters)	78/421357	5/19/2004	-----	-----

Title	Application No.	Application Filing Date	Registration No.	Registration Date
BRING OUT YOUR INNER DECORATOR (block letters)	78/518478	11/17/2004	-----	-----
SIMPLY SHEERS	75/853012	11/19/1999	2472357	7/24/2001
SHEER MAGIC (stylized letters)	75/836690	10/29/1999	2532761	1/22/2002
ESSENTIALS	74/160618	4/25/1991	1742302	12/22/1992
3 DAY BLINDS	77/453460	4/21/2008	020913.0128T	4/21/2008
3DB 3 DAY BLINDS Logo	77/461254	4/29/2008	020913.0173	5/1/2008
3DB Logo	77/460512	4/29/2008	020913.0172T	4/30/2008

PATENTS

Patent No./ Title	Issued	Assingee
5193680 (Slat box for window blind stock)	03/16/93	3 Day Blinds, Inc., a California corporation
6142196 (Machine forming bottom rail and valance of window blind unit)	11/07/00	3 Day Blinds, Inc., a California corporation
6955463 (Window covering display device)	10/18/05	3 Day Blinds, Inc., a California corporation
6994143 (Child safety blinds)	02/07/06	3 Day Blinds, Inc., a California corporation
6003218 (Apparatus for cutting and assembling slats for window blind units)	12/21/99	3 Day Blinds, Inc., a California corporation
7269886 B2 (Ladder station support assembly)	09/18/07	3 Day Blinds, Inc., a California corporation
7207270 B2 (Fixture of printing blinds)	04/24/07	3 Day Blinds, Inc., a California corporation
7225850 B2 (Child safety blinds)	06/05/07	3 Day Blinds, Inc., a California corporation
System and methods for cutting woven blinds (pending patent application)	No issue date (application #60/731630)	3 Day Blinds, Inc., a California corporation

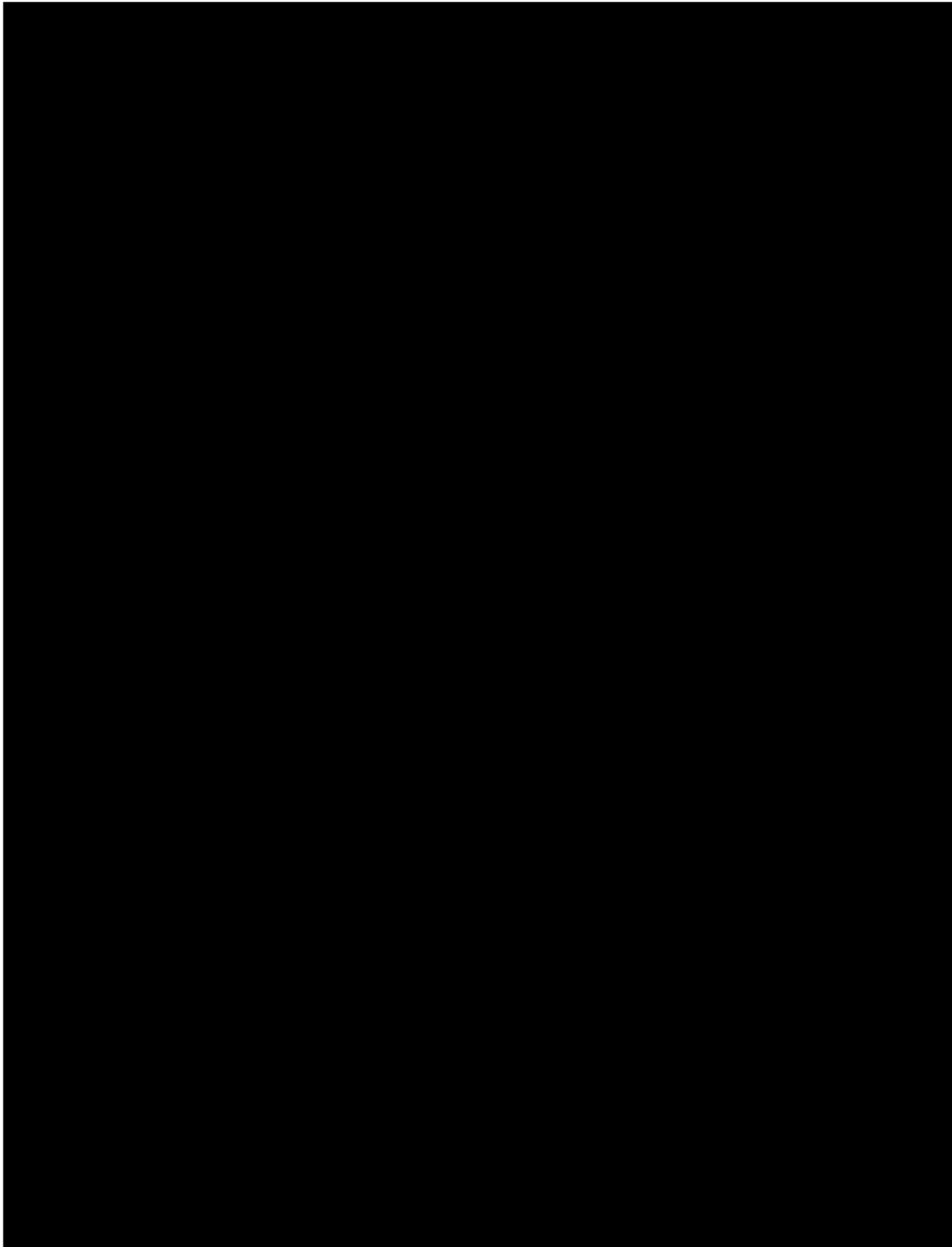
COPYRIGHTS

Title	Reg. No.	Reg. Date	Claimant
3 Day Blinds.	TX-3-802-056	April 13, 1994	3 Day Blinds, Inc., a California corporation
iDesignSystem.	TXu-1-130-423	July 2, 2003	3 Day Blinds, Inc., a California corporation
Print optimizer C#.NET.	TXu-1-171-397	April 1, 2004	3 Day Blinds, Inc., a California corporation
Scramblizer C#.NET.	TXu-1-171-398	April 1, 2004	3 Day Blinds, Inc., a California corporation
Image cropperizer C#.NET.	TXu-1-171-399	April 1, 2004	3 Day Blinds, Inc., a California corporation
Scramblizer C++.	TXu-1-171-400	April 1, 2004	3 Day Blinds, Inc., a California corporation

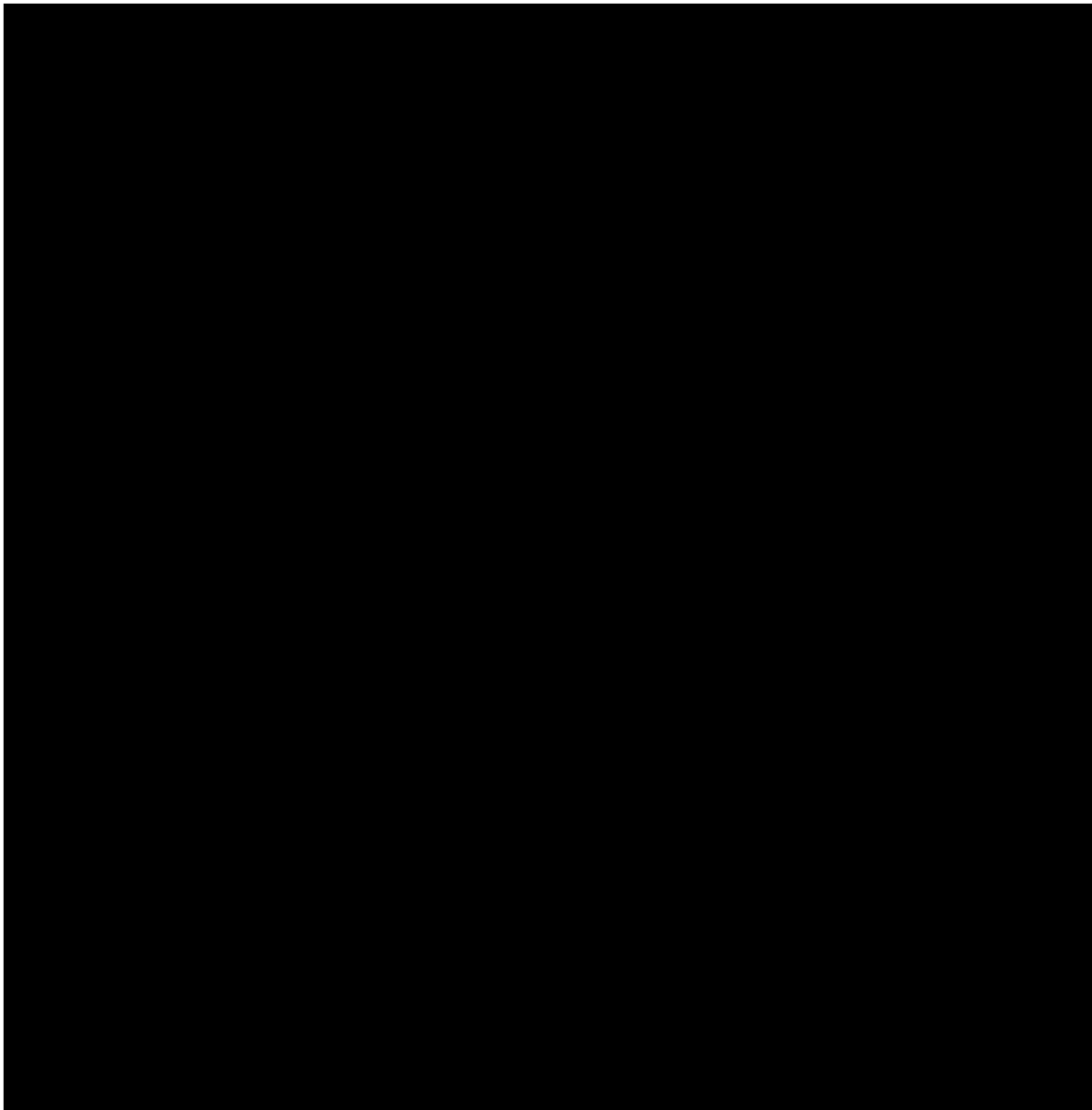


Schedule 1.3(g)

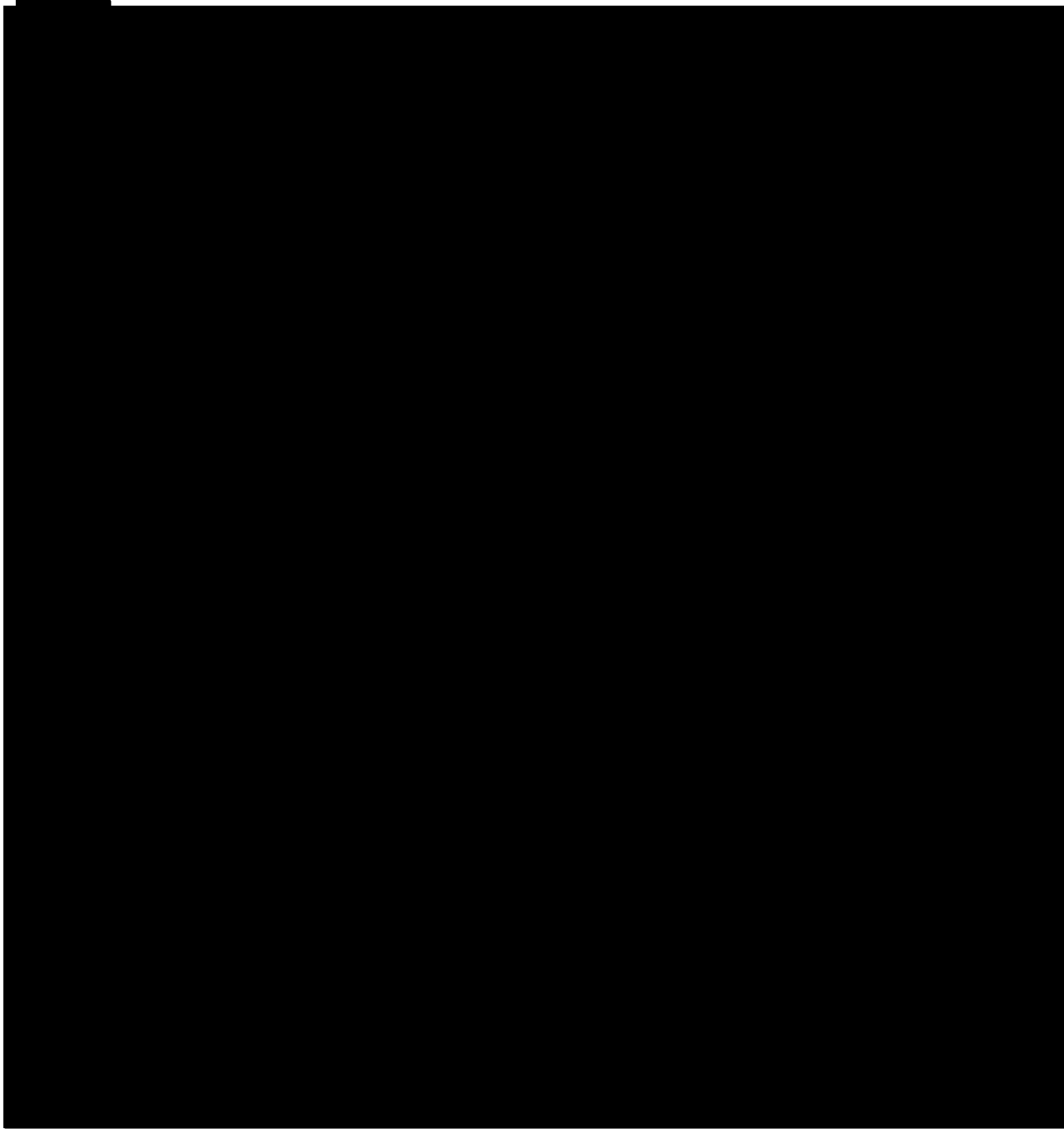
Assumed Liabilities



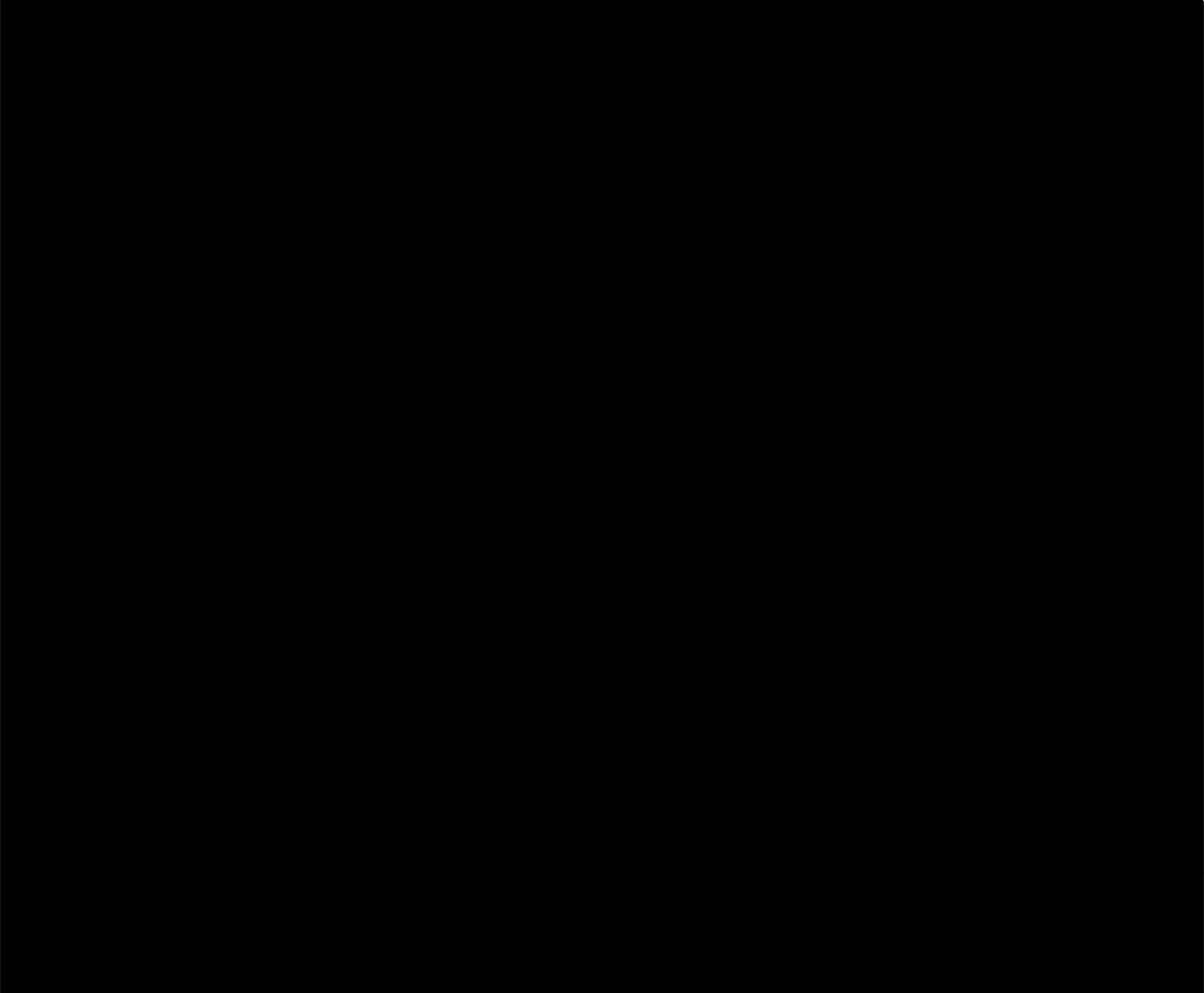
Schedule 2 Assumed Customer and Vendor Contracts



Schedule 3 Equipment



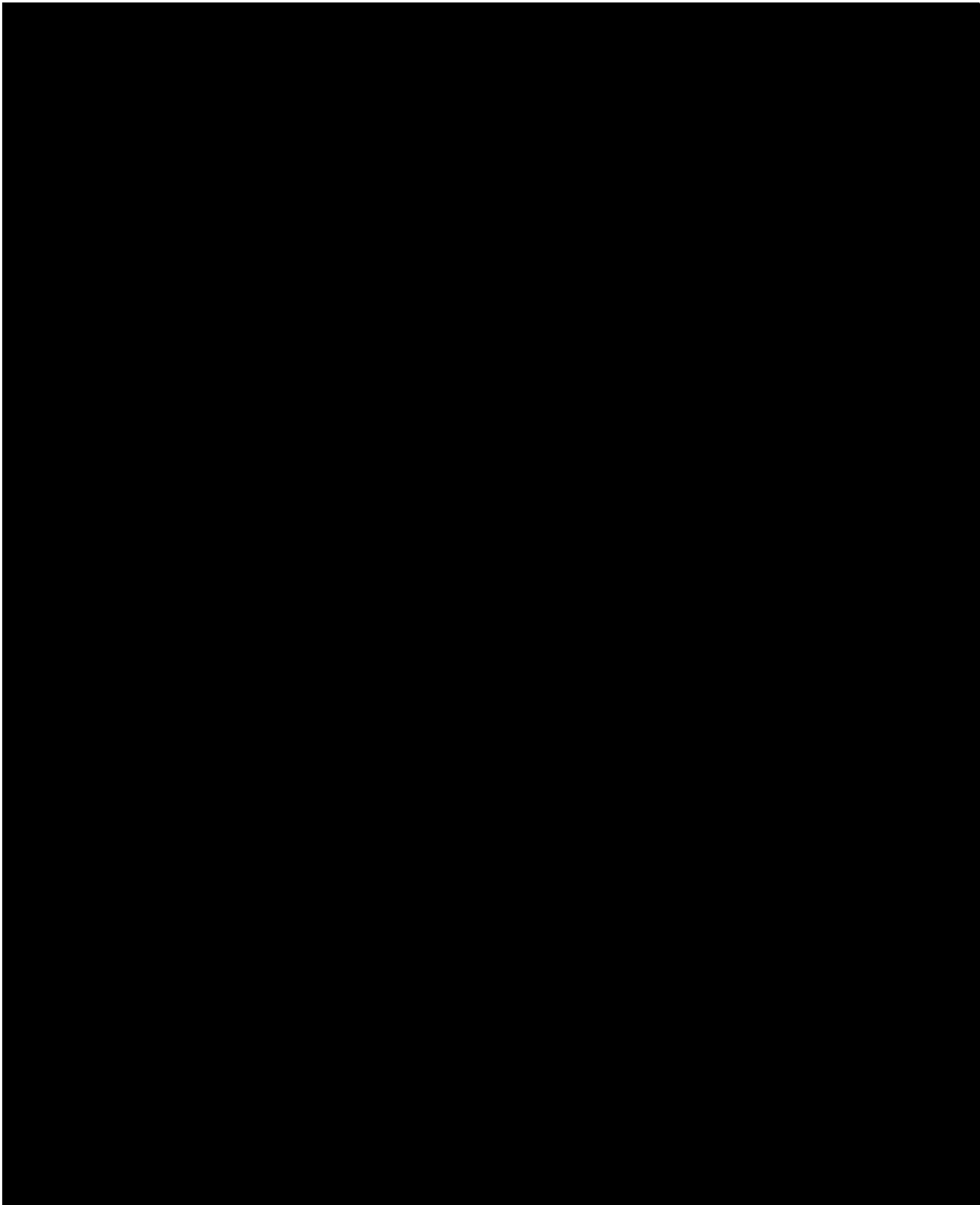
Schedule 4 Assumed Personal Property Leases

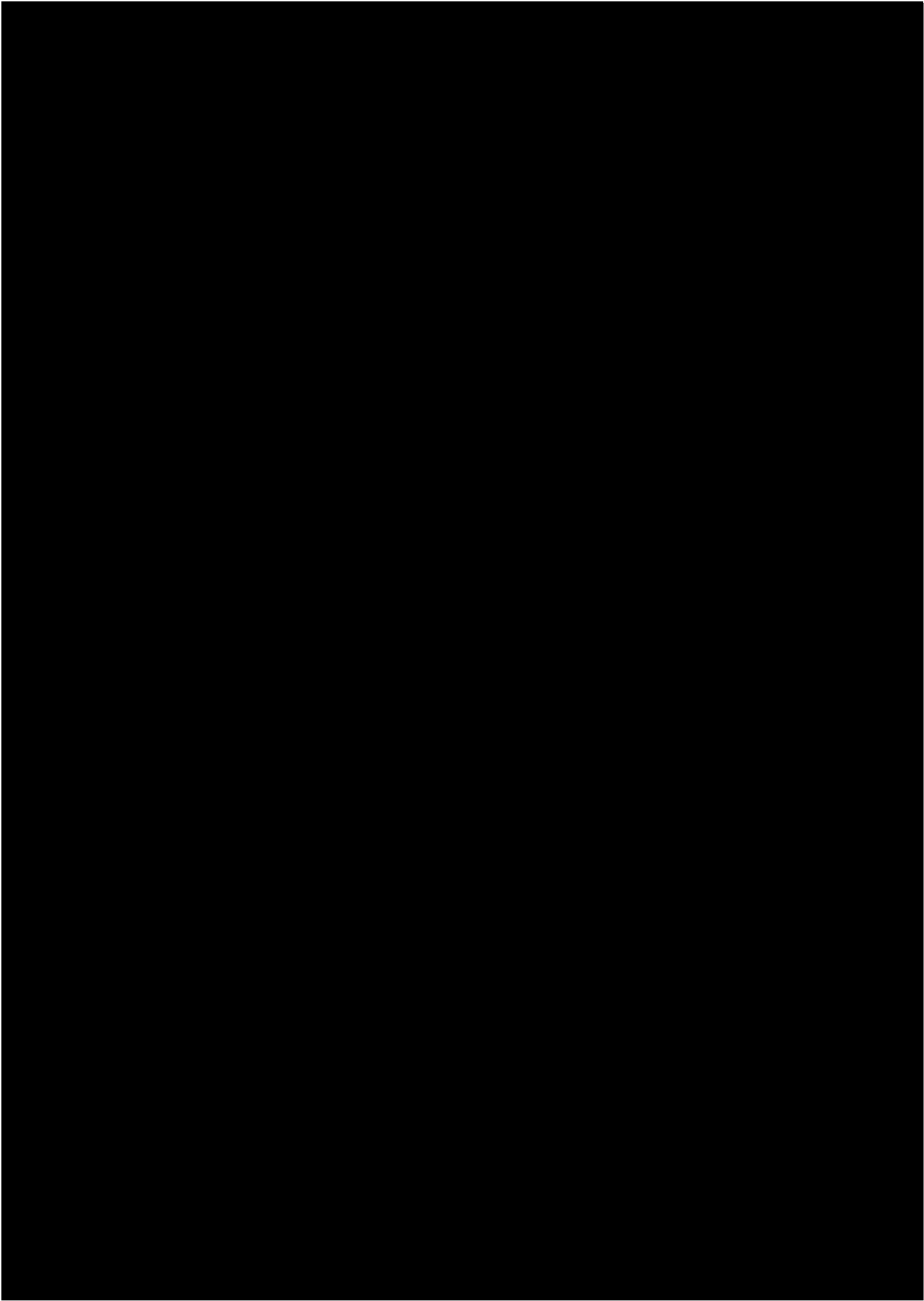


Schedule 5 Assumed Real Property Leases

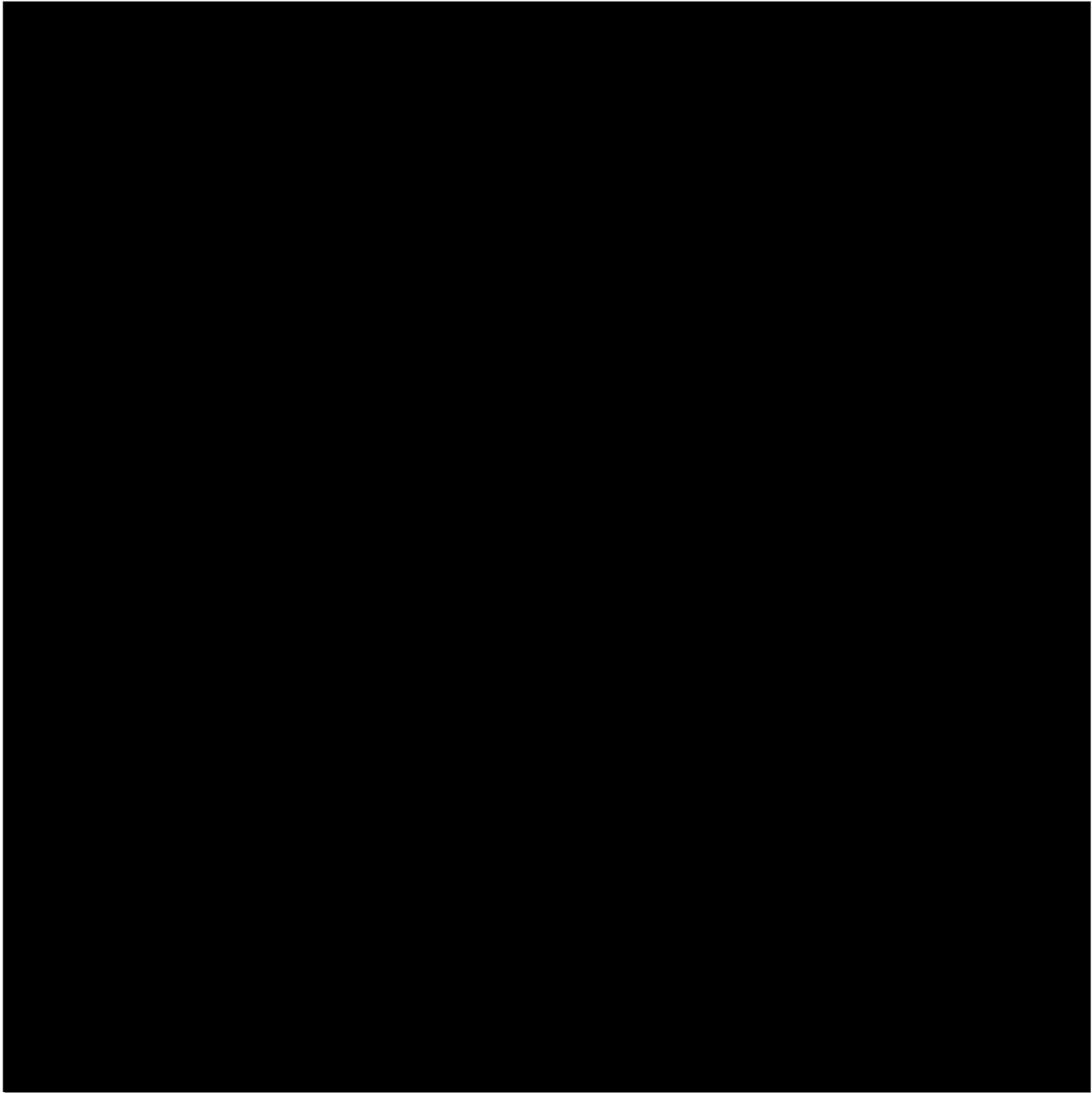
See list of Leased Real Property at Disclosure Schedule 4.13(b).

Schedule 6 Assumed Independent Contractor Contracts





Schedule 7 Assumed Permits





Schedule 8 Owned Real Property

None.

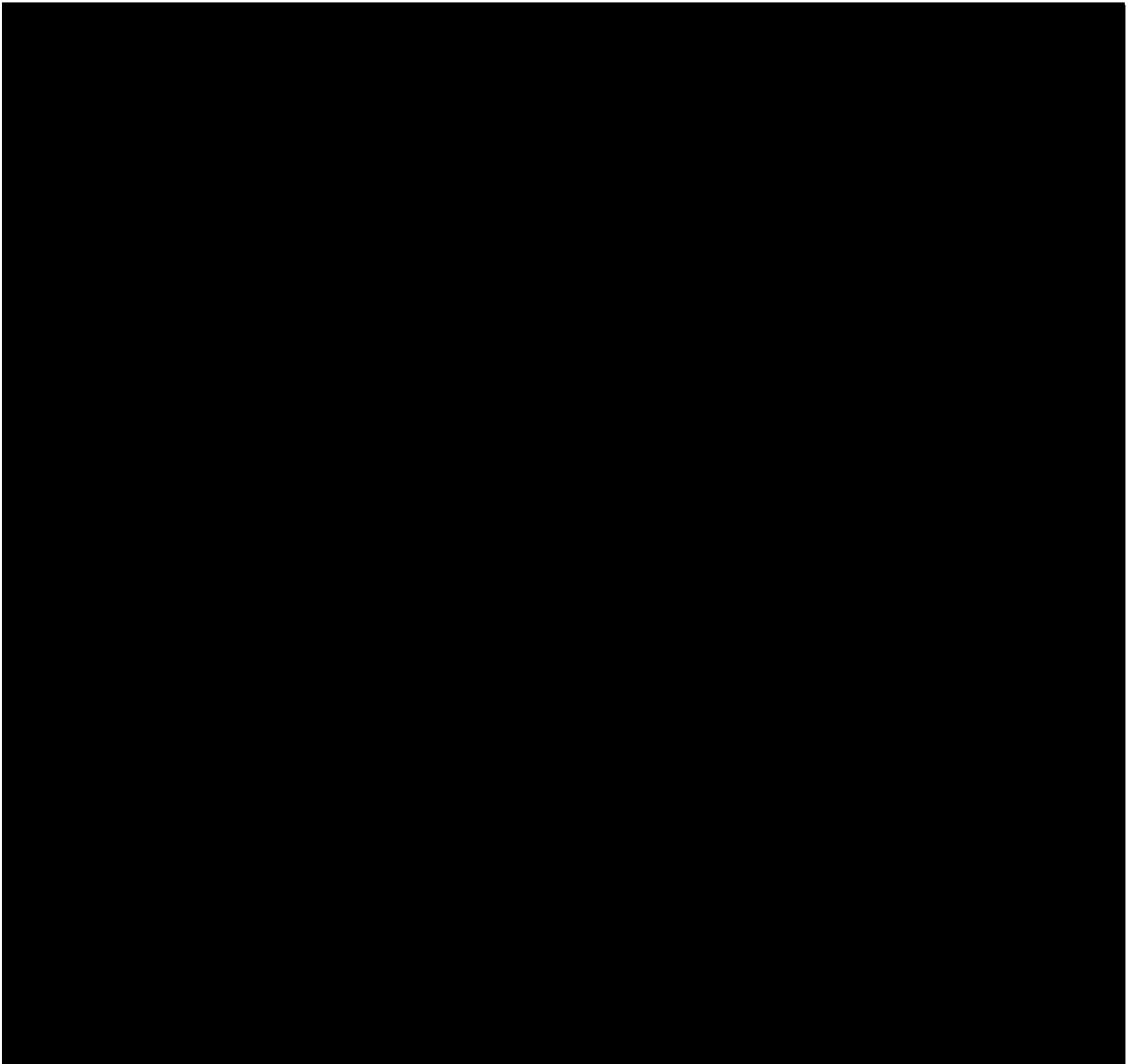
Schedule 8.1 Conduct of Business of Sellers

None.

Schedule 8.1(b)(viii) Senior Management

1. Michael Bush, President and Chief Executive Officer
2. Opal Ferraro, Chief Financial Officer
3. Telitha Holewski, Senior Vice President Human Resources
4. Frank Gutierrez, Senior Vice President Manufacturing and Global Supply Chain

Schedule 10.1(k) Cure Costs



**DISCLOSURE SCHEDULES TO  
ASSET PURCHASE AGREEMENT**

**Seller Disclosure Schedules**

Section 4.1 Corporate Organization and Qualification



Section 4.2 (a) Seller Jurisdiction of Incorporation and Qualification

1. The Company is qualified to do business in the following states:
  - a. Arizona
  - b. California
  - c. Colorado
  - d. Idaho
  - e. Illinois
  - f. Kansas
  - g. Missouri
  - h. Nebraska
  - i. Nevada
  - j. Ohio
  - k. Oregon
  - l. Texas
  - m. Utah
  - n. Washington

Section 4.4 (a) Conflicts

None.



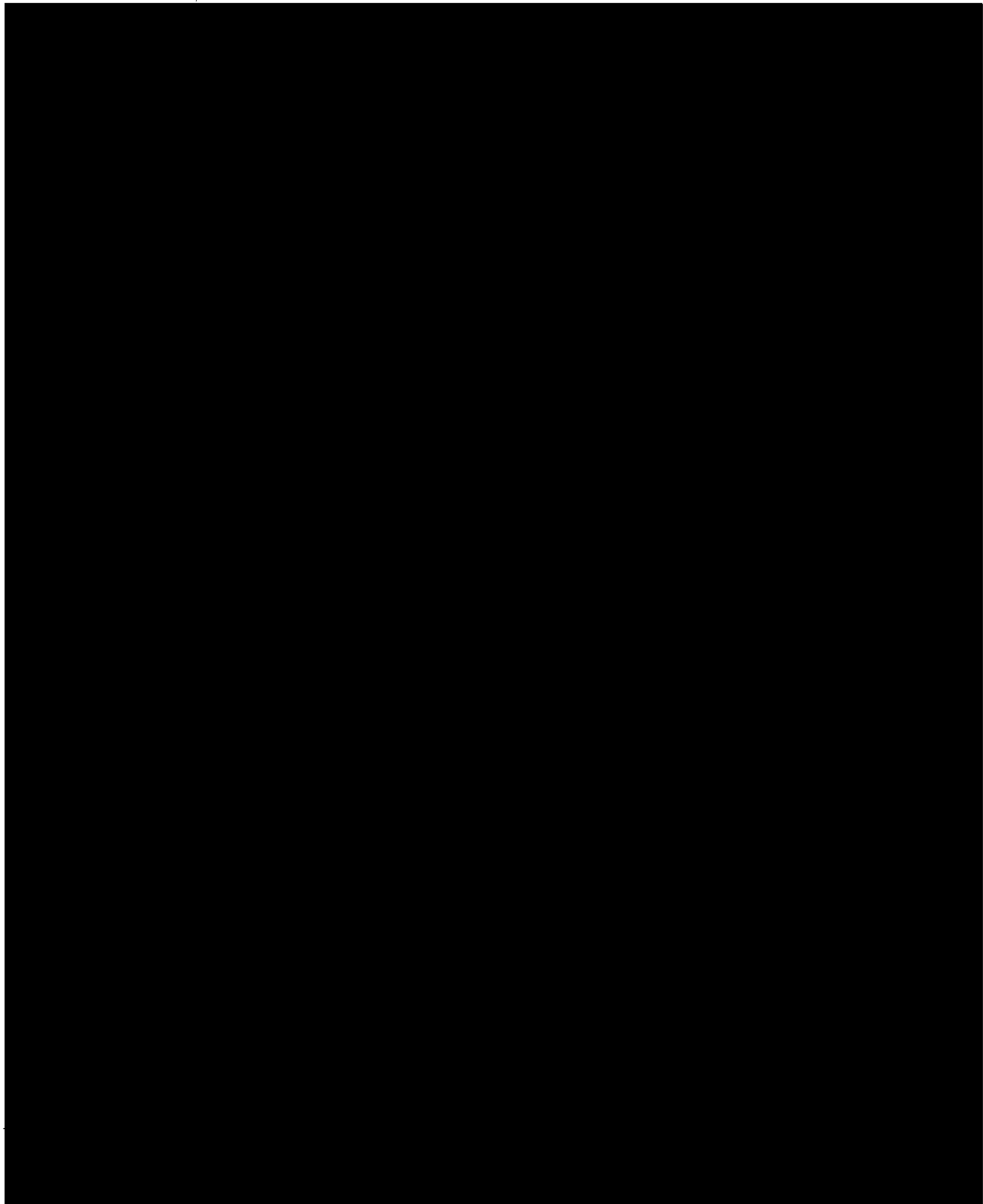
Section 4.4(b) Consents of Third Parties

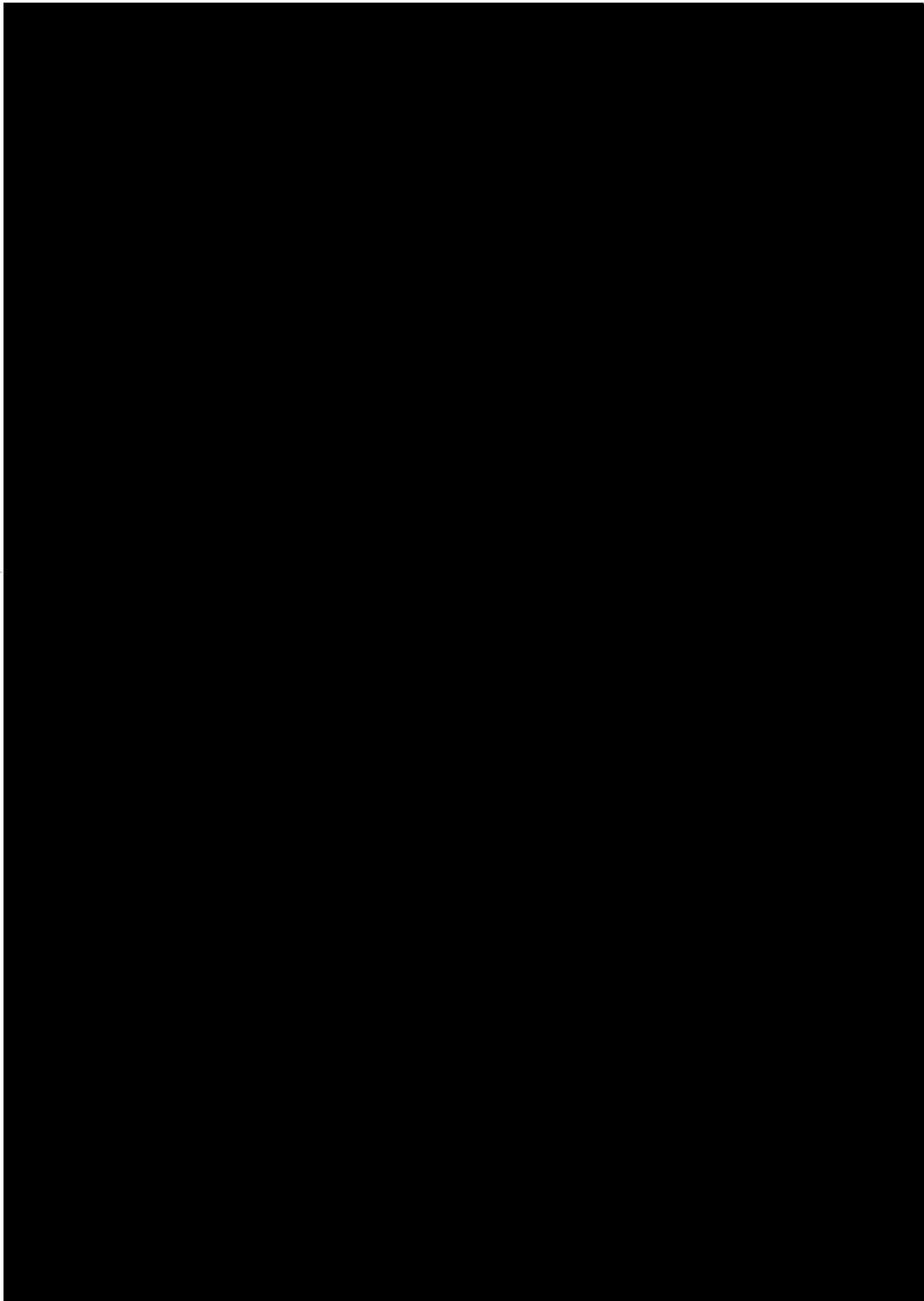
None.

Section 4.5 Absence of Certain Developments

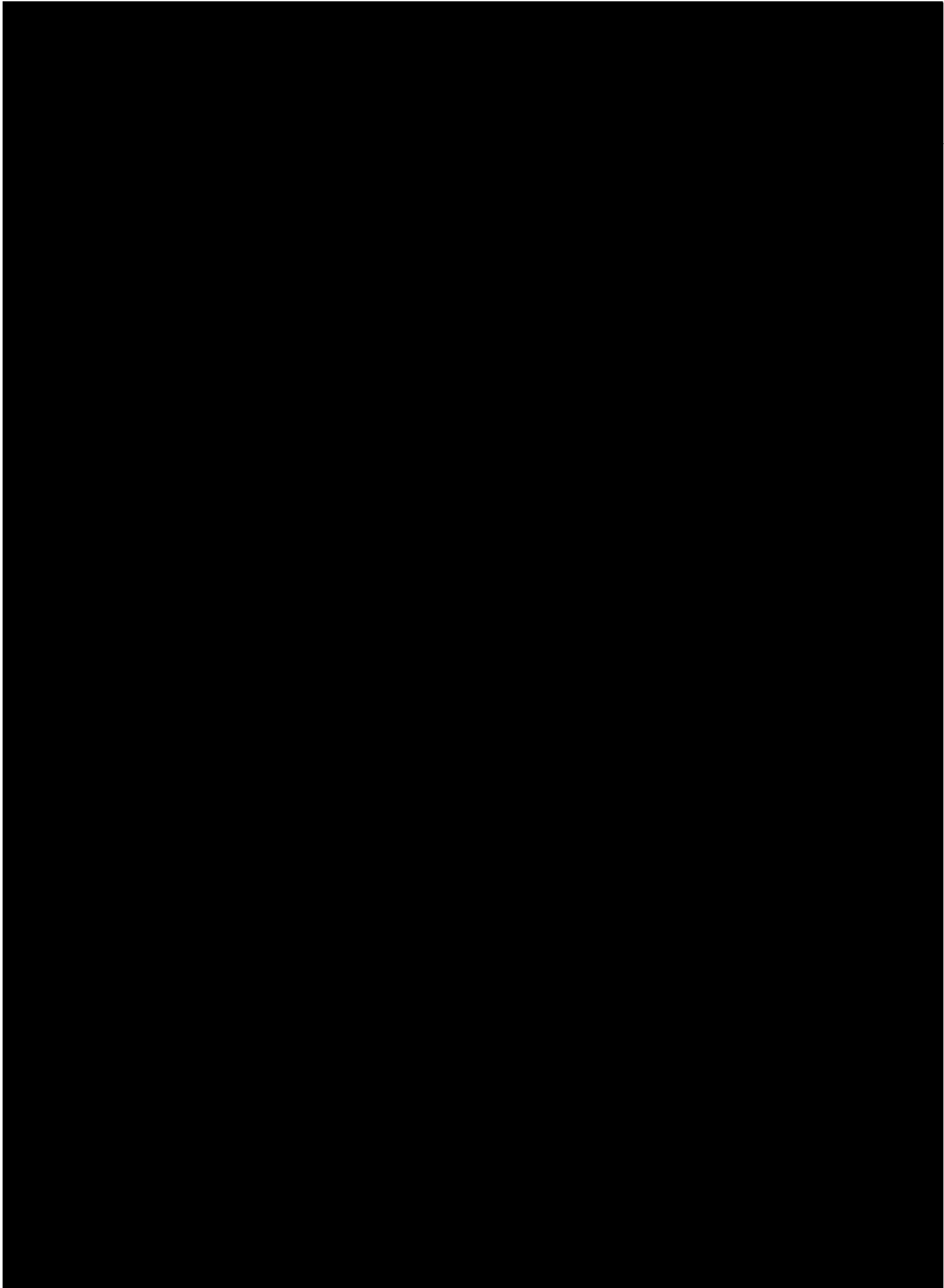
1. Certain expenses related to closing showrooms in the post-petition period and canceling certain telecommunication services have not been paid.

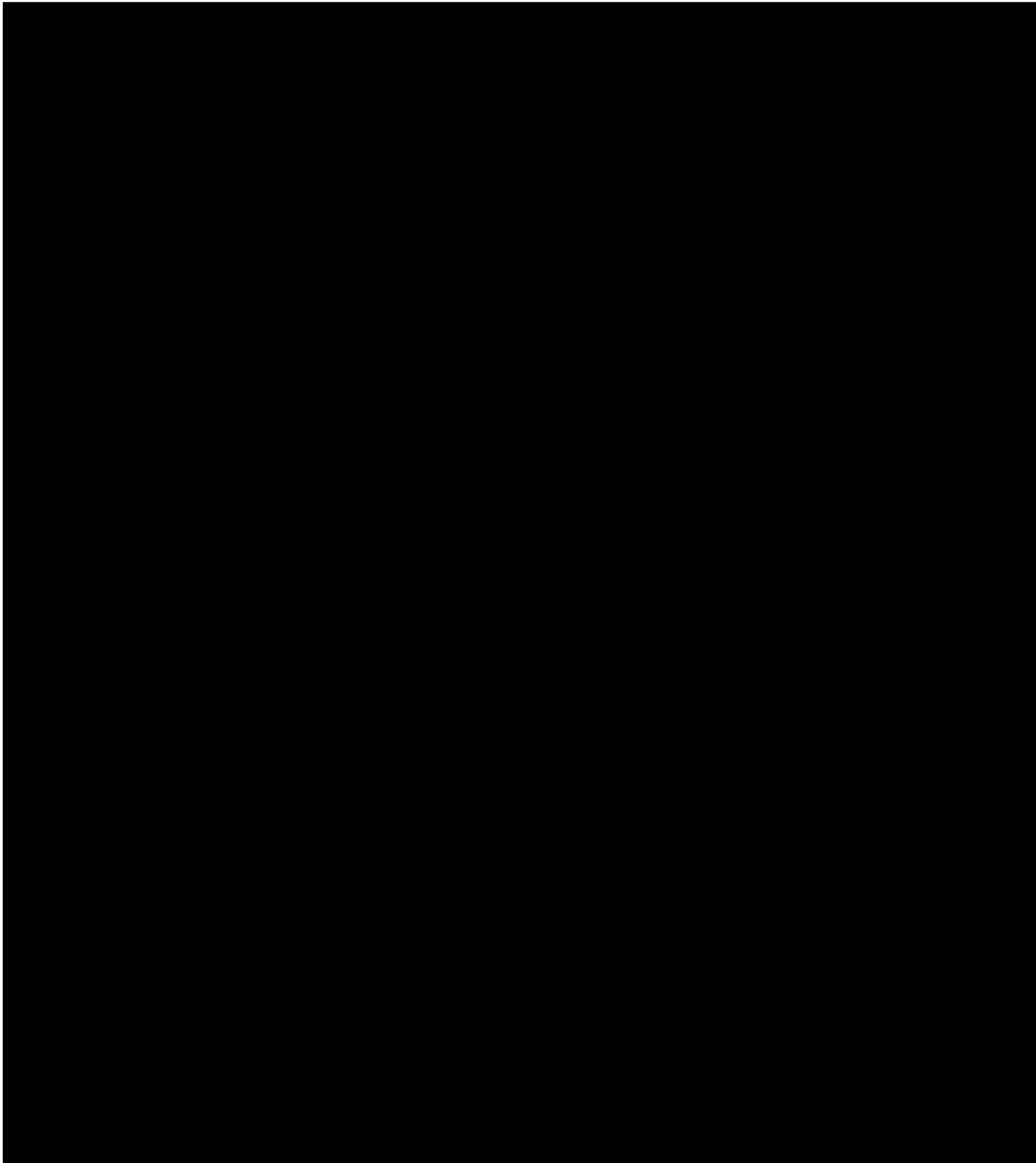
Section 4.6 Litigation





**TRADEMARK**  
**REEL: 004266 FRAME: 0468**





Section 4.7 Intellectual Property

See following pages for list of owned intellectual property.

TRADEMARKS

Title	Application No.	Application Filing Date	Registration No.	Registration Date
3 DAY BLINDS & Design	660185	6/18/1990	427716	5/27/1994
3 DAY BLINDS & Design	-----	-----	84196	5/14/1987
3 DAY BLINDS & Design	93045186	6/10/1993	725223	1/14/1995
3 DAY BLINDS	160631	2/12/1993	455770	2/12/1993
3 DAY BLINDS & Design	73/646048	2/24/1987	1497759	7/26/1988
3DB and Design	-----	-----	86390	12/31/1987
3DB and Design	73/692920	11/2/1987	1507197	10/4/1988
TRANSITIONS	74/111810	10/31/1990	1693043	6/9/1992
TRANSITIONS (stylized letters)	74/139864	2/19/1991	1719487	9/22/1992
3 DAY BLINDS (Chinese Characters)	93045187	6/10/1993	725222	1/14/1995
ULTIMA	74/462297	11/23/1993	1975201	5/21/1996



Title	Application No.	Application Filing Date	Registration No.	Registration Date
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LIGHT-LESS	75/547535	9/3/1998	2416283	12/26/2000
DUOSHADE	75/572041	10/16/1998	2392142	10/3/2000
VIRTUAL WOOD	75/707676	5/17/1999	2420057	1/9/2001
AMERICAS WINDOW COVERING SPECIALIST	75/836688	10/29/1999	2443574	4/10/2001
STARLIGHT and Design	76/103591	8/7/2000	2541711	2/19/2002
ARIZONA'S WINDOW COVERING SPECIALISTS	-----	-----	44991	6/18/2001
3 DAY BLINDS CALIFORNIA'S WINDOW COVERING SPECIALISTS	-----	-----	55105	7/18/2001
5 DAY BLINDS IDAHO'S WINDOW COVERING SPECIALISTS	-----	-----	16989	7/16/2001
ILLINOIS' WINDOW COVERING SPECIALIST	-----	-----	86514	1/4/2001
MISSOURI'S WINDOW COVERING SPECIALIST	-----	-----	S015320	1/22/2001

Title	Application No.	Application Filing Date	Registration No.	Registration Date
NEBRASKA'S WINDOW COVERING SPECIALISTS	-----	-----	1000196744	3/30/2001
NEVADA'S WINDOW COVERING SPECIALISTS	-----	-----	Vol. 33, Page 636	2/14/2001
NEW MEXICO'S WINDOW COVERING SPECIALISTS	-----	-----	TK01060503	6/5/2001
OHIO'S WINDOW COVERING SPECIALIST	-----	-----	1218362	2/26/2001
OREGON'S WINDOW COVERING SPECIALIST	-----	-----	S-34816	1/11/2001
UTAH'S WINDOW COVERING SPECIALIST	-----	-----	4858479-0190	1/4/2001
WASHINGTON'S WINDOW COVERING SPECIALIST	-----	-----	29445	1/2/2001
COLORADO'S WINDOW COVERING SPECIALISTS	-----	-----	20011011387	1/17/2001
SOLAIRE PRIVACY BLIND and Design	76/248310	4/30/2001	2608241	8/13/2002
R-HOUSE (block letters)	78/594733	3/24/2005	-----	-----
SIERRA SHUTTERS	76/334773	11/6/2001	2718019	5/20/2003

Title	Application No.	Application Filing Date	Registration No.	Registration Date
IMPROVING NATURE'S BEST	76/335034	1/16/2001	2716434	5/13/2003
SEDONA SHUTTERS	76/354200	1/2/2002	2818007	2/24/2004
SUNCREST SHUTTERS	76/383582	3/14/2002	2795703	12/16/2003
CORONADO VALANCE	76/383139	3/18/2002	2798732	12/23/2003
ITS YOUR HOME. DO IT RIGHT	76/391821	4/3/2002	2805531	1/13/2004
LAKESHORE SHUTTERS	78/154790	8/15/2002	2861356	7/6/2004
WOODRIDGE (stylized)	-----	-----	5330546	6/2/2003
WOODRIDGE	-----	-----	M17737	6/2/2003
iDESIGN	78/256218	5/30/2003	2968426	7/12/2005
TILT MAGIC (block letters)	78/326733	11/12/2003	2958592	5/31/2005
EVOLUTIONS (block letters)	78/421357	5/19/2004	-----	-----

Title	Application No.	Application Filing Date	Registration No.	Registration Date
BRING OUT YOUR INNER DECORATOR (block letters)	78/518478	11/17/2004	-----	-----
SIMPLY SHEERS	75/853012	11/19/1999	2472357	7/24/2001
SHEER MAGIC (stylized letters)	75/836690	10/29/1999	2532761	1/22/2002
ESSENTIALS	74/160618	4/25/1991	1742302	12/22/1992
3 DAY BLINDS	77/453460	4/21/2008	020913.0128T	4/21/2008
3DB 3 DAY BLINDS Logo	77/461254	4/29/2008	020913.0173	5/1/2008
3DB Logo	77/460512	4/29/2008	020913.0172T	4/30/2008

PATENTS

Patent No./ Title	Issued	Assingee
5193680 (Slat box for window blind stock)	03/16/93	3 Day Blinds, Inc., a California corporation
6142196 (Machine forming bottom rail and valance of window blind unit)	11/07/00	3 Day Blinds, Inc., a California corporation
6955463 (Window covering display device)	10/18/05	3 Day Blinds, Inc., a California corporation
6994143 (Child safety blinds)	02/07/06	3 Day Blinds, Inc., a California corporation
6003218 (Apparatus for cutting and assembling slats for window blind units)	12/21/99	3 Day Blinds, Inc., a California corporation
7269886 B2 (Ladder station support assembly)	09/18/07	3 Day Blinds, Inc., a California corporation
7207270 B2 (Fixture of printing blinds)	04/24/07	3 Day Blinds, Inc., a California corporation
7225850 B2 (Child safety blinds)	06/05/07	3 Day Blinds, Inc., a California corporation
System and methods for cutting woven blinds (pending patent application)	No issue date (application #60/731630)	3 Day Blinds, Inc., a California corporation

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Title	Reg. No.	Reg. Date	Claimant
3 Day Blinds.	TX-3-802-056	April 13, 1994	3 Day Blinds, Inc., a California corporation
iDesignSystem.	TXu-1-130-423	July 2, 2003	3 Day Blinds, Inc., a California corporation
Print optimizer C#.NET.	TXu-1-171-397	April 1, 2004	3 Day Blinds, Inc., a California corporation
Scramblizer C#.NET.	TXu-1-171-398	April 1, 2004	3 Day Blinds, Inc., a California corporation
Image cropperizer C#.NET.	TXu-1-171-399	April 1, 2004	3 Day Blinds, Inc., a California corporation
Scramblizer C++.	TXu-1-171-400	April 1, 2004	3 Day Blinds, Inc., a California corporation

Section 4.8 Material Contract Defaults

None.

Section 4.9(a) Material Permits

The Company is qualified to do business in the states as listed below:

1. Arizona
2. California
3. Colorado
4. Idaho
5. Illinois
6. Kansas
7. Missouri
8. Nebraska
9. Nevada
10. Ohio
11. Oregon
12. Texas
13. Utah
14. Washington

The Company has contractor's licenses as follows:

<u>State</u>	<u>License #</u>	<u>Exp. Date</u>
Arizona	ROC 130652	1/31/2010
California	65950	11/30/2010
Idaho	RCE-26657	10/16/2009
Nebraska	31326	11/1/2009
Oregon	90559	9/30/2010
Washington	601294995	9/8/2009



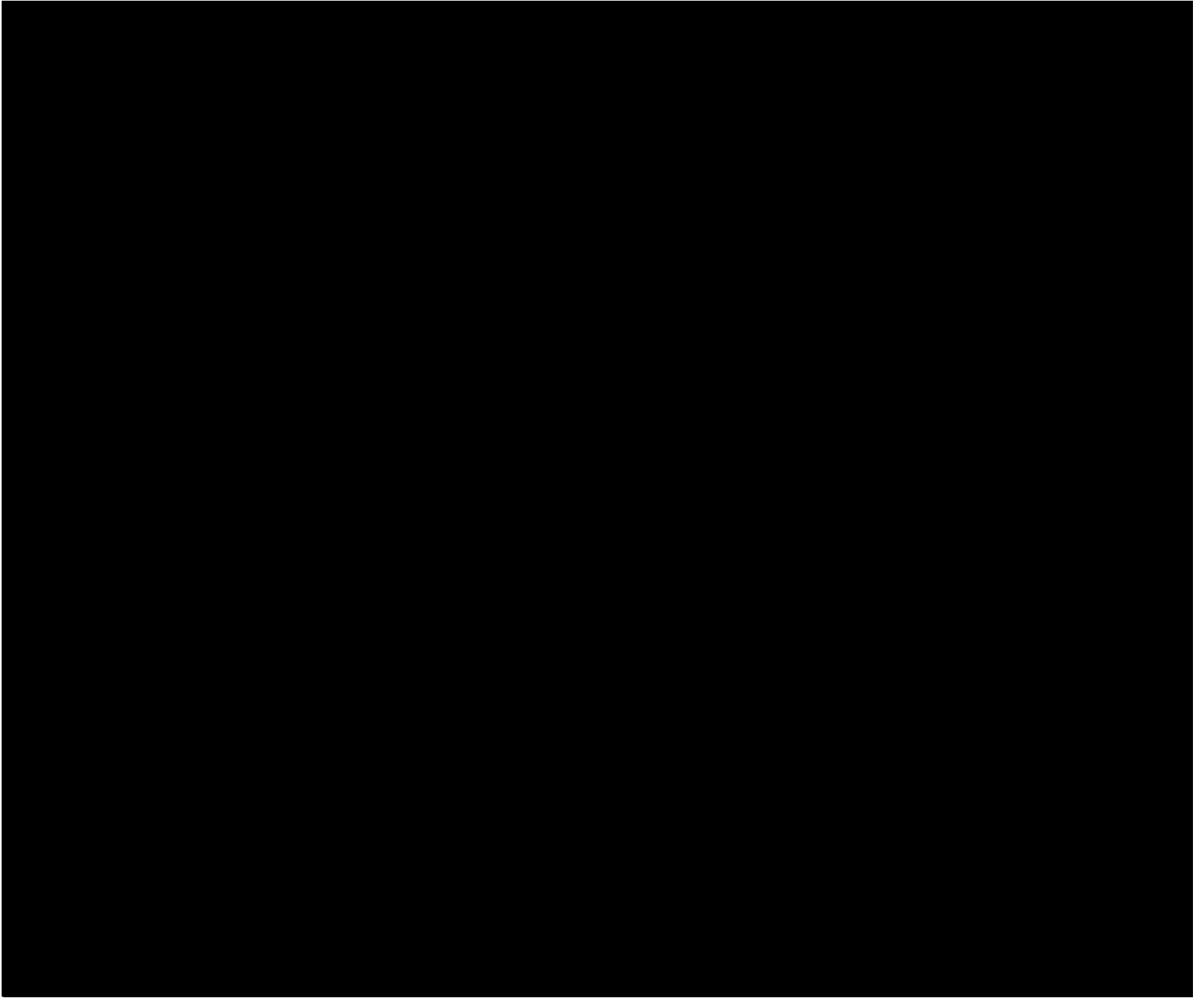
Section 4.12(a) Personal Property Leases

None.

Section 4.12(b) Default Under Personal Property Leases

None except for those that may occur due to non-payment of monthly rental in the pre-petition period.

Section 4.13(b) Leased Real Property

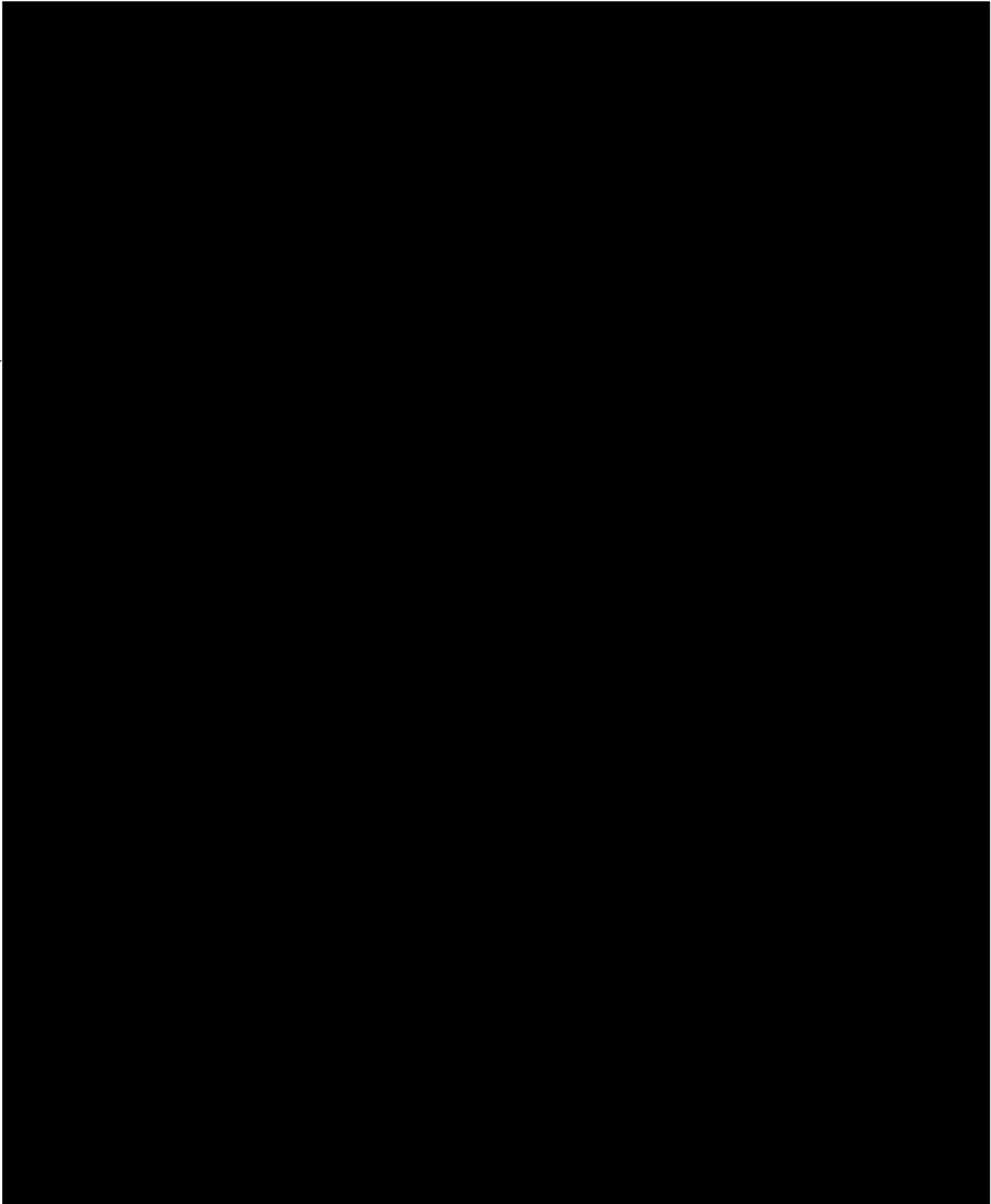


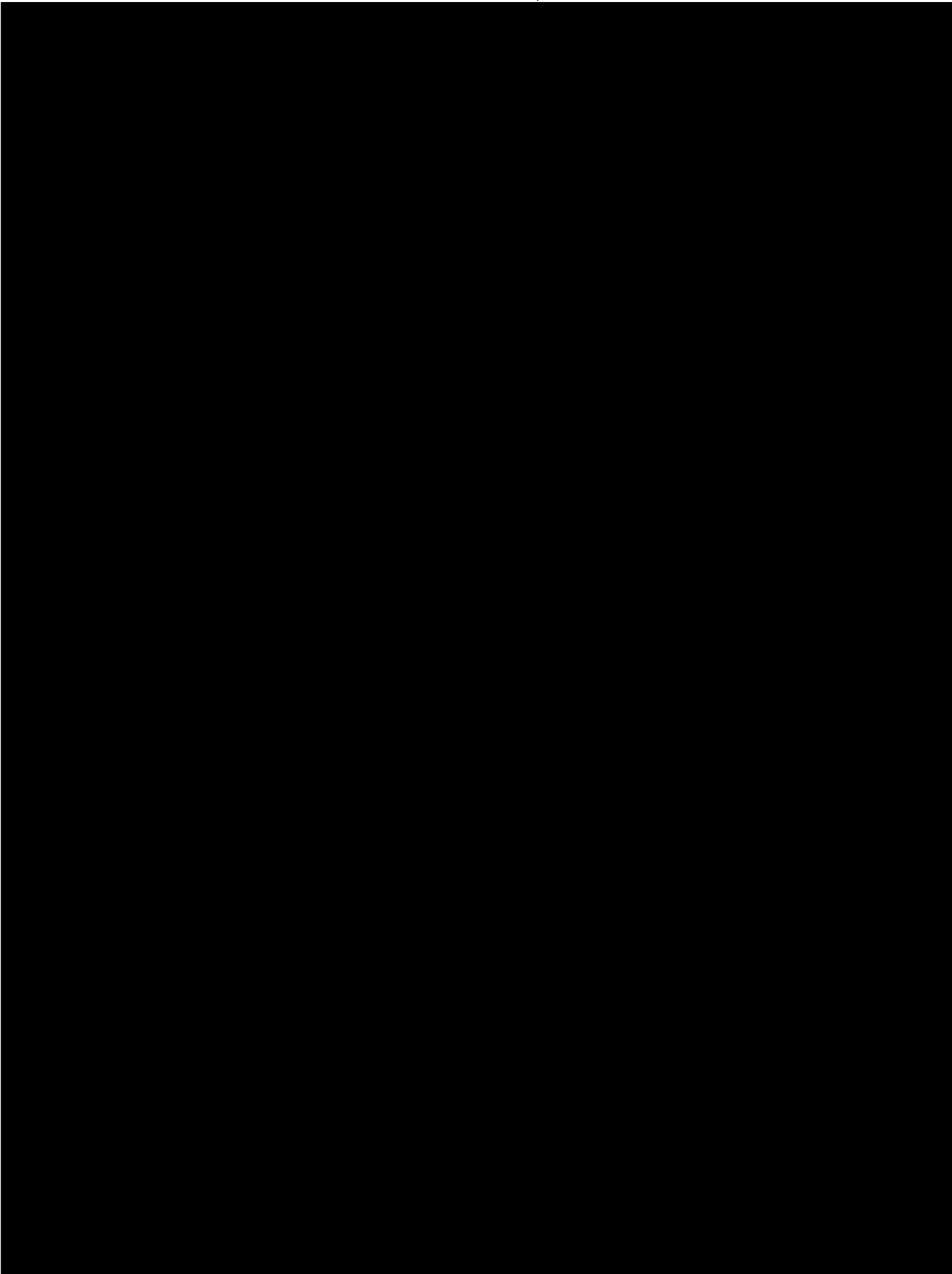
Section 4.15 Tax Returns; Taxes



Section 4.16(a)

Employees





TRADEMARK  
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TRADEMARK

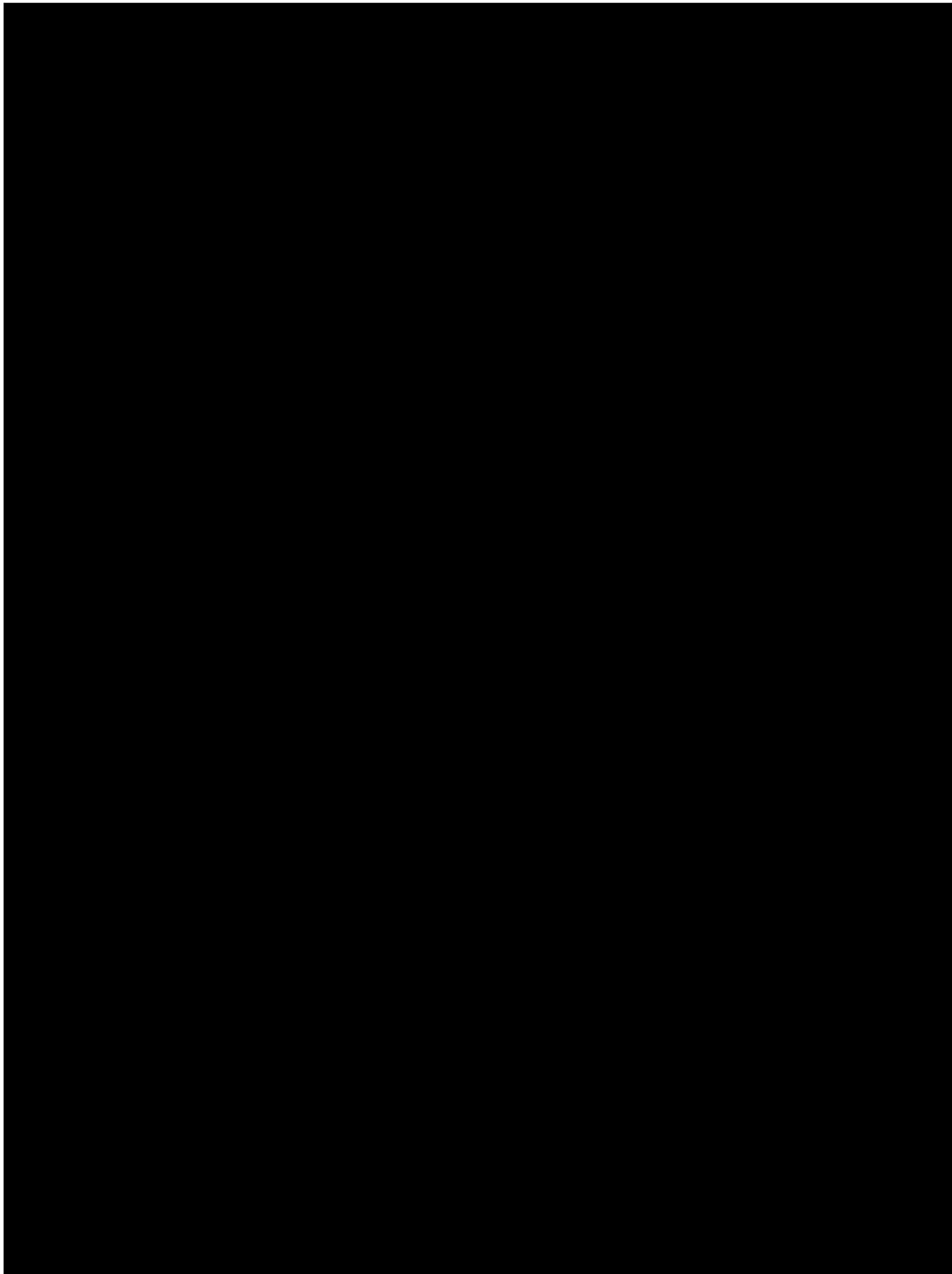
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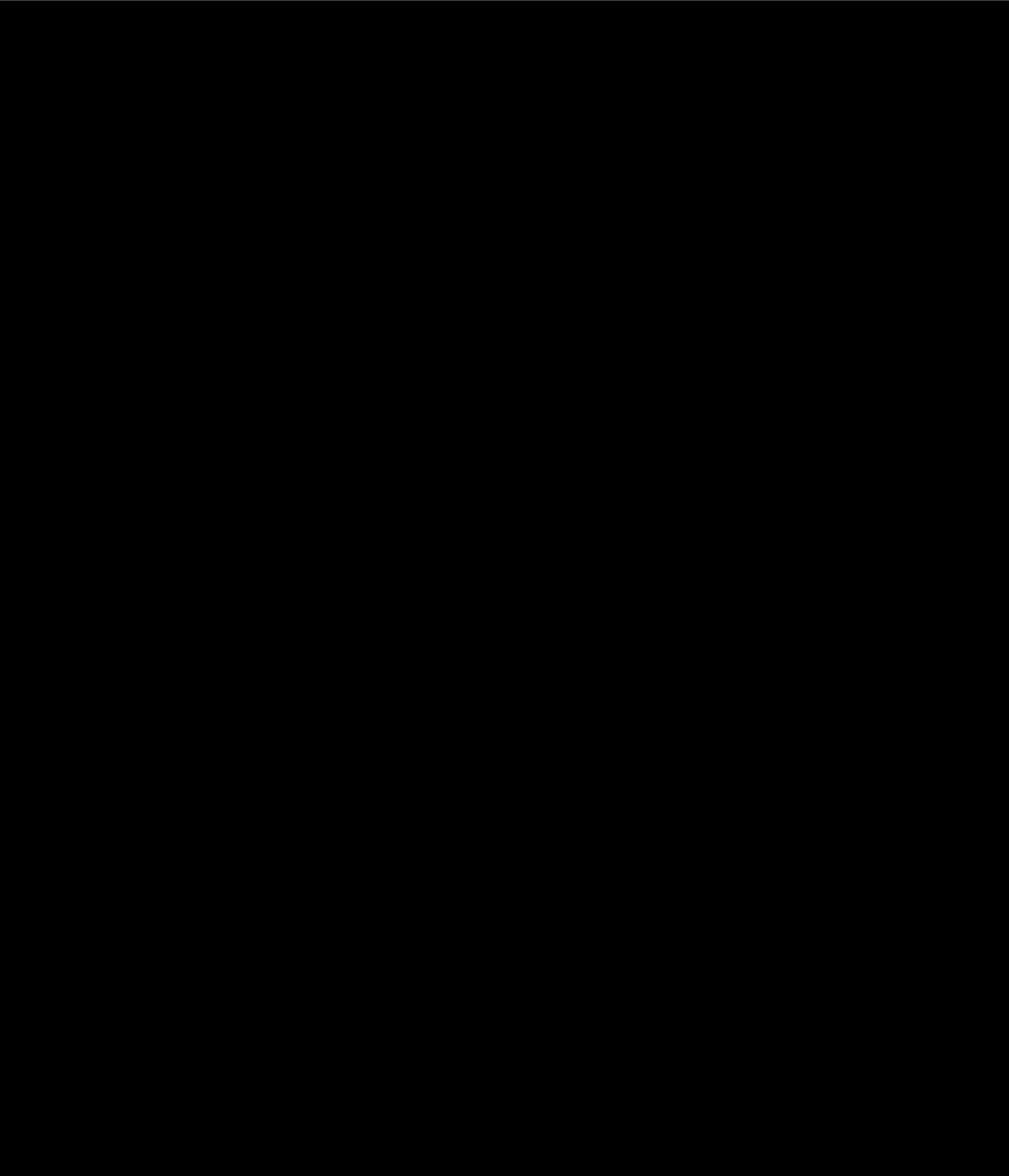
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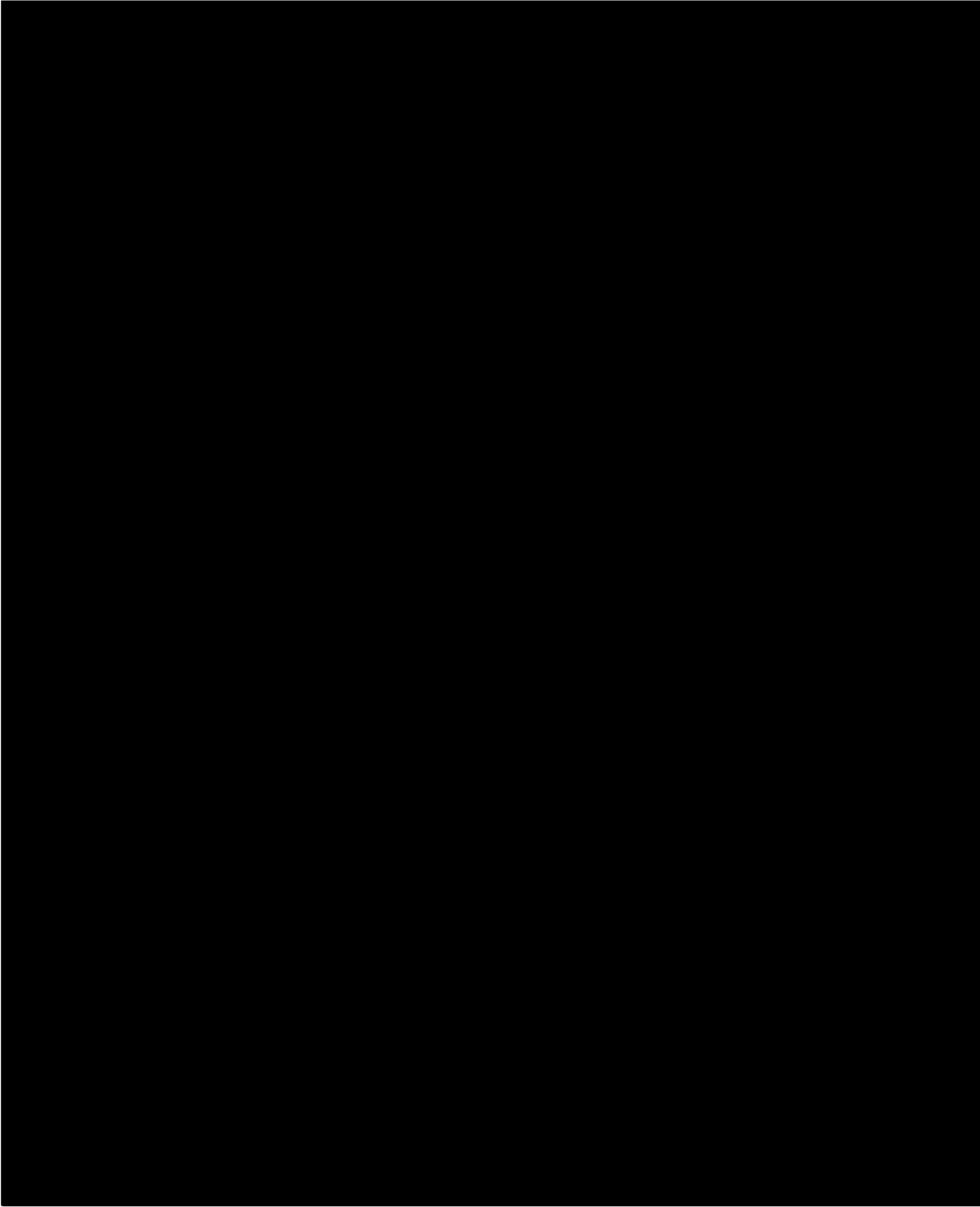


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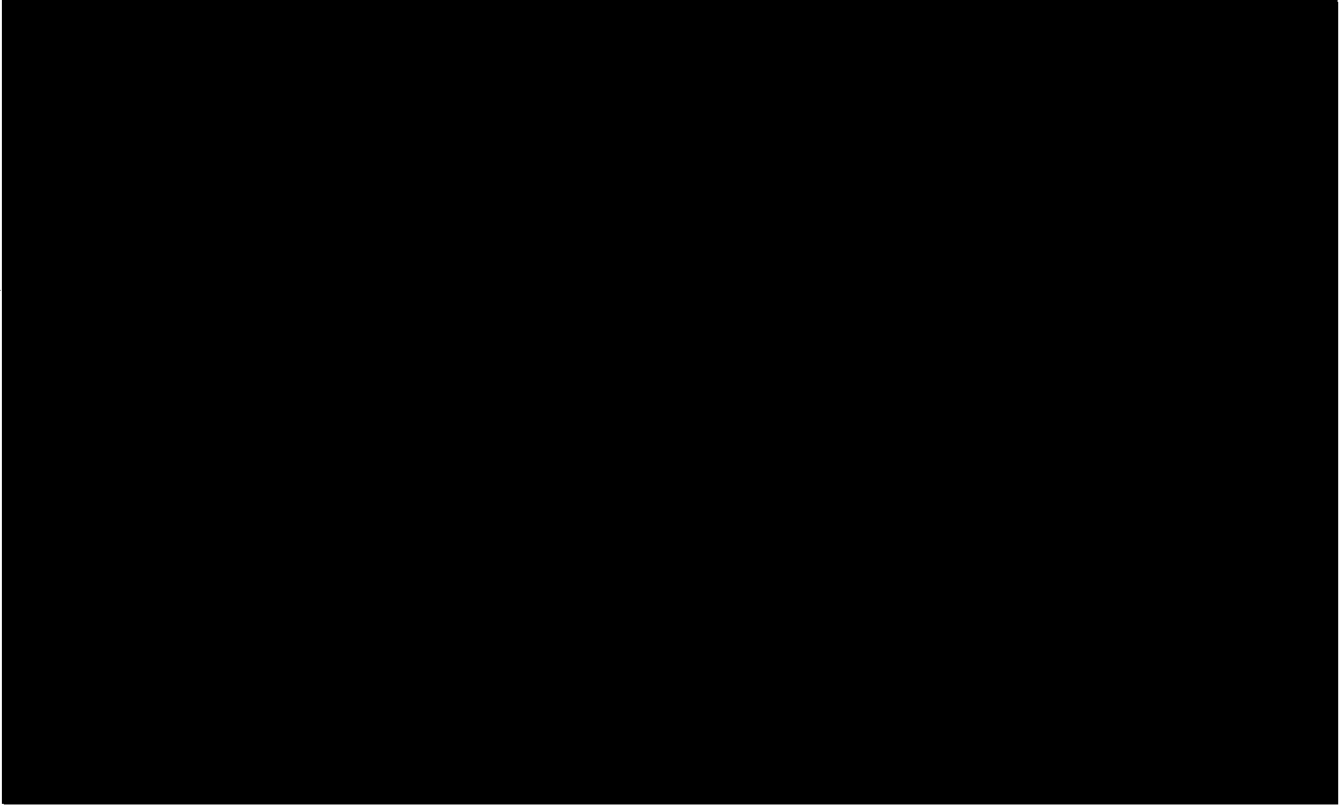
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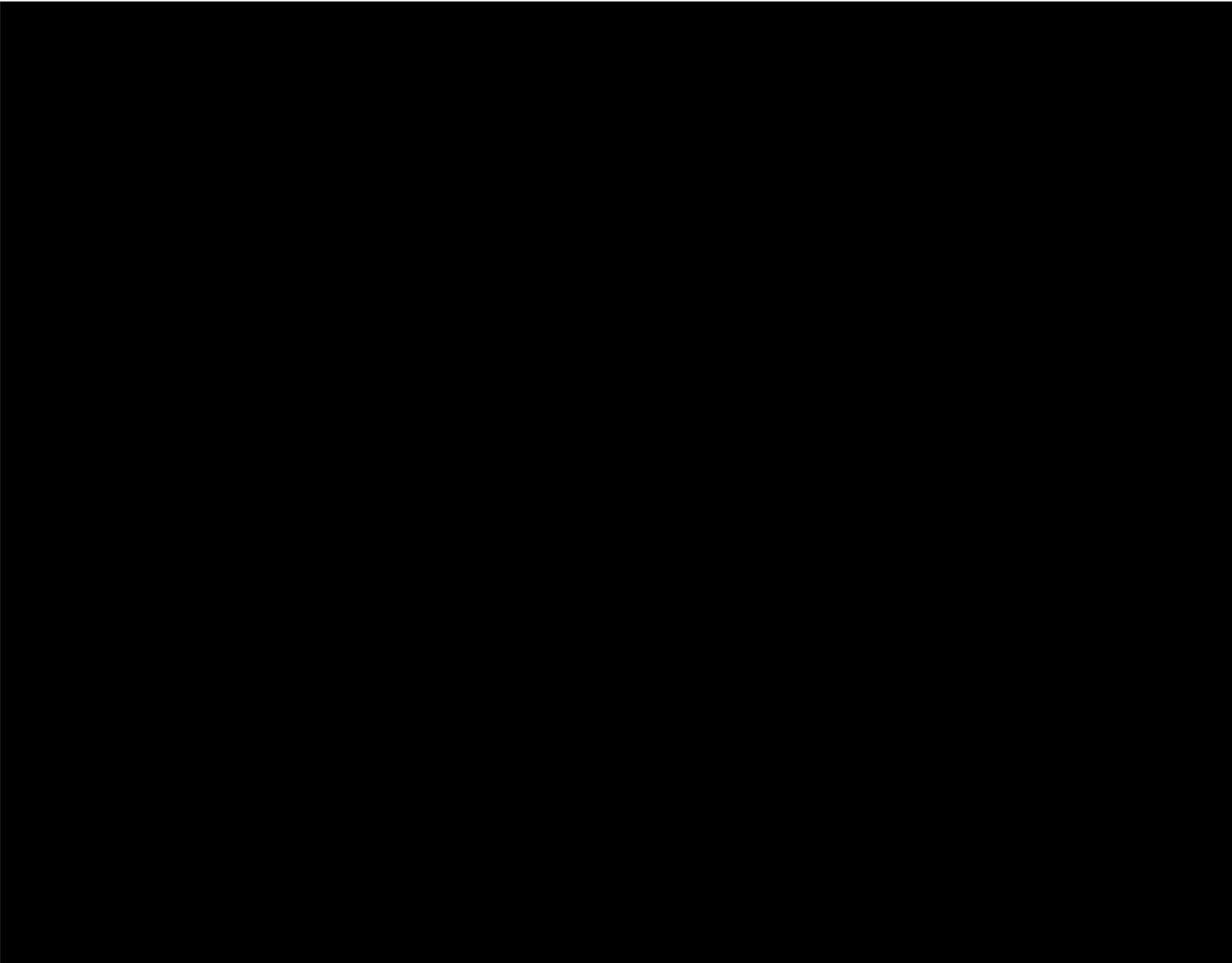
Section 4.17 Company Benefit Plans



Section 4.18 Insurance Policies and Claims



Section 4.21 Accounts Receivable





Section 4.23 Financial Statements

Financial statements have been provided.

Section 4.25 Undisclosed Liabilities

