

TRADEMARK ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

ETAS ID: TM316323

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	Court Order; Release of Security Interest		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Salus Capital Partners, LLC		08/07/2014	LIMITED LIABILITY COMPANY: DELAWARE
RECEIVING PARTY DATA			
Name:	Love Culture Inc.		
Street Address:	2423 E. 23rd Street		
City:	Los Angeles		
State/Country:	CALIFORNIA		
Postal Code:	90058		
Entity Type:	CORPORATION: CALIFORNIA		
PROPERTY NUMBERS Total: 8			
Property Type	Number	Word Mark	
Registration Number:	3633316	LOVE CULTURE	
Registration Number:	4536544	LOVE CULTURE	
Registration Number:	4536553	LOVECULTURE	
Registration Number:	4510351	LOVE CULTURE PLUS+	
Registration Number:	4511761	BOUTIQUE CULTURE	
Serial Number:	86045811	LOVE CULTURE	
Serial Number:	86046409		
Serial Number:	86046678		
CORRESPONDENCE DATA			
Fax Number:	4242393434		
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>			
Phone:	424-239-3859		
Email:	nlamell@blankrome.com		
Correspondent Name:	Nancy Benveniste Lamell		
Address Line 1:	2029 Century Park East 6th Floor		
Address Line 4:	Los Angeles, CALIFORNIA 90067		
ATTORNEY DOCKET NUMBER:	143708-00101		
NAME OF SUBMITTER:	Nancy Benveniste Lamell		

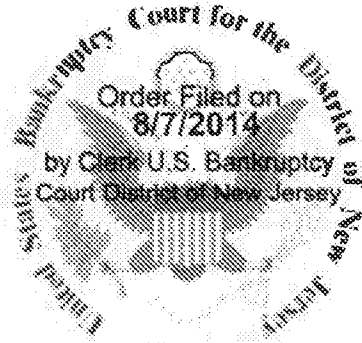
OP \$215.00 3633316

SIGNATURE:	/Nancy B. Lamell/
DATE SIGNED:	09/08/2014

Total Attachments: 56

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UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

Caption in Compliance with D.N.J. LBR 9004-2(e)

LOWENSTEIN SANDLER LLP

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*Proposed Counsel to the Debtor and
Debtor-in-Possession*

In re:

Love Culture Inc.,¹

Debtor.

Chapter 11

Case No. 14-24508 (NLW)

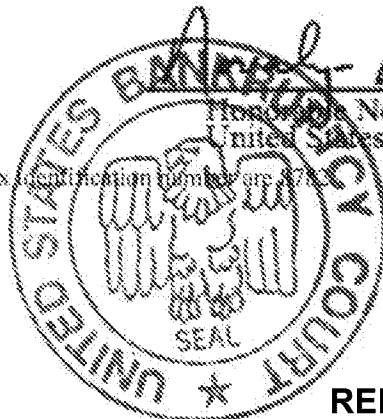
**ORDER (A) AUTHORIZING AND APPROVING THE SALE OF THE
DEBTOR'S ASSETS FREE AND CLEAR OF LIENS, CLAIMS, CHARGES,
ENCUMBRANCES, AND INTERESTS, (B) AUTHORIZING AND
APPROVING THE ASSET PURCHASE AGREEMENT WITH RESPECT
THERETO AND IMPLEMENTATION THEREOF, (C) AUTHORIZING AND
APPROVING PROCEDURES FOR THE ASSUMPTION AND
ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND
UNEXPIRED LEASES AND / OR TRANSFER OF DESIGNATION RIGHTS
AS NECESSARY IN CONNECTION WITH THE ASSET SALE, AND (D)
GRANTING RELATED RELIEF**

The relief set forth on the following pages, numbered two (2) through seventeen (17), is
hereby ORDERED.

DATED: 8/7/2014

THIS IS A TRUE COPY OF THE ORIGINAL ON FILE IN THE OFFICE OF THE CLERK OF THE UNITED STATES BANKRUPTCY COURT.

[Signature] Deputy



[Signature]
Honorable Novalyn L. Winfield
United States Bankruptcy Judge

**TRADEMARK
REEL: 005362 FRAME: 0347**

Debtor: Love Culture Inc.
Case No: 14-24508 (NLW)
Caption: ORDER (A) AUTHORIZING AND APPROVING THE SALE OF THE DEBTOR'S ASSETS FREE AND CLEAR OF LIENS, CLAIMS, CHARGES, ENCUMBRANCES, AND INTERESTS, (B) AUTHORIZING AND APPROVING THE ASSET PURCHASE AGREEMENT WITH RESPECT THERETO AND IMPLEMENTATION THEREOF, (C) AUTHORIZING AND APPROVING THE PROCEDURES FOR THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES AND / OR TRANSFER OF DESIGNATION RIGHTS AS NECESSARY IN CONNECTION WITH THE ASSET SALE, AND (D) GRANTING RELATED RELIEF

Upon the Debtor's motion pursuant to sections 105(a), 363 and 365 of title 11 of the United States Code (the "Bankruptcy Code") and rules 6004 and 6006 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") for (i) approval of procedures in connection with the Debtor's entry into an agency agreement for the conduct of store-closing sales at all of its retail stores and the sale of certain other assets, (ii) authorization to enter into a stalking horse agreement(s) in connection therewith, (iii) approval of the payment of stalking horse protections, (iv) approval of the Store-Closing Sales (as defined below), and (v) the setting of related auction and hearing dates [Docket No. 35] (the "Sale Motion"); and upon the Supplement to the Sale Motion [Docket No. 149] seeking, among other things, the entry of an Order: (i) authorizing the Debtor's sale (the "Sale") to United LC Capital LLC (the "Purchaser"), pursuant to an Asset Purchase Agreement between the Debtor and Purchaser, dated as of August 6, 2014 (the "Purchase Agreement")², a copy of which is annexed hereto as Exhibit A, of the Purchased Assets, free and clear of any and all liens, claims, charges, interests or encumbrances, with such liens, claims, charges, interests or encumbrances to transfer, affix, and attach to the proceeds of the Sale with the same order, priority, validity, force, and effect which such liens, claims, charges, interests or encumbrances now have against the Purchased Assets subject to any claims and defenses the Debtor or its estate may possess with respect thereto, (ii) authorizing the procedures for the assumption and assignment of certain unexpired leases for non-residential real

² Capitalized terms not otherwise defined herein shall have the meaning ascribed to such term in the Purchase Agreement or Supplement.

Debtor: Love Culture Inc.

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property and/or transfer of designation rights as provided in the Purchase Agreement (collectively, the "Assumed Leases", and each an "Assumed Lease"), (iii) authorizing the assumption and assignment of certain unexpired executory contracts and / or transfer of designation rights as provided in the Purchase Agreement (collectively, the "Assumed Contracts", and each an "Assumed Contract") (Assumed Leases and Assumed Contracts collectively referred to herein as the "Assigned Contracts"), and (iv) approving the Purchase Agreement and the transactions set forth therein and the implementation thereof; and upon this Court's order dated July 25, 2014, approving, *inter alia*, certain bidding procedures and an auction (the "Auction") in connection with the Debtor's Sale of the Purchased Assets (the "Bidding Procedures Order") [Docket No. 88]; and upon the record of the hearing to consider approval of the Purchase Agreement and proposed Sale (the "Sale Hearing"), it is hereby

FOUND AND DETERMINED THAT:

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

B. The Court has jurisdiction to consider the Motion and Supplement and relief requested therein pursuant to 28 U.S.C. Sections 157 and 1334, and this matter is a core

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Debtor: Love Culture Inc.

Case No: 14-24508 (NLW)

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proceeding pursuant to 28 U.S.C. Section 157(b)(2). Venue of this Chapter 11 case, the Motion and the Supplement in this district is proper pursuant to 28 U.S.C. Sections 1408 and 1409.

C. The statutory predicates for the relief sought in the Motion and Supplement are sections 363, 365 and 105(a) of the Bankruptcy Code. In addition, the relief requested in the Motion and Supplement are appropriate under Bankruptcy Rules 2002, 6004 and 6006.

D. Based upon the results of the Auction, the Debtor determined that the bid evidenced by the Purchase Agreement was the highest and best offer for the Purchased Assets.

E. The Debtor afforded interested potential buyers a full, fair and reasonable opportunity to make a higher and better offer to purchase the Purchased Assets, and provided potential buyers, upon request, sufficient information to enable them to make an informed judgment on whether to bid on the Purchased Assets.

F. The record establishes that there are good, valid and sound business purposes for the sale of the Purchased Assets.

G. The consideration to be paid under the Purchase Agreement is fair and reasonable under the circumstances of this Chapter 11 case, and the Purchaser's offer is the highest and best offer for the Purchased Assets and in the best interests of the estate.

H. The Debtor shall sell the Purchased Assets free and clear of all liens, claims, charges, encumbrances, and interests against the Debtor, its estate or any of the Purchased

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Assets, including but not limited to any lien, claim, charge, encumbrance or interest for taxes in respect of the Purchased Assets for years prior to the Closing.

I. A valid business purpose exists for approval of the transactions contemplated by the Motion and the Supplement pursuant to section 363(b) of the Bankruptcy Code. Notwithstanding any requirement for approval or consent by any person, the transfer of the Purchased Assets to the Purchaser is a legal, valid and effective transfer of the Purchased Assets.

IT IS HEREBY ORDERED AS FOLLOWS:

1. The Motion and the Supplement is granted to the extent provided herein. All objections to the Motion and the Supplement that have not been withdrawn, waived, settled, or specifically addressed in this Order, and all reservations of rights included in such objections, are overruled in all respects on the merits and denied.

2. The Debtor is authorized and directed to sell, or cause to be sold, the Purchased Assets to the Purchaser, without further application to or order of this Court and upon the terms and conditions of the Purchase Agreement and any related agreements, as applicable. The Debtor is further authorized and directed to take such steps and to execute such documents as are reasonably necessary to give effect to the transfers and transactions contemplated under the Purchase Agreement. Closing on the Sale of the Purchased Assets (the "Closing") shall be held after satisfaction and fulfillment of or waiver of, the conditions to the Closing set forth in the Purchase Agreement.

Debtor: Love Culture Inc.

Case No: 14-24508 (NLW)

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3. The transfer of the Purchased Assets to the Purchaser shall constitute a legal, valid and effective transfer. Except to the extent otherwise provided for in the Purchase Agreement, title, right and interest in and to the Purchased Assets shall pass to the Purchaser at Closing free and clear of all liens (as that term is defined in section 101(37) of the Bankruptcy Code), claims (including, but not limited to, any "claim" as defined in Section 101(5) of the Bankruptcy Code), charges, interests, and encumbrances, including, but not limited to, any lien (statutory or otherwise), hypothecation, encumbrance, liability, security interest, interest, mortgage, pledge, restriction, charge, instrument, license, preference, priority, security agreement, easement, covenant, encroachment, option, right of recovery, tax (including foreign, federal, state and local tax), governmental order, of any kind or nature (including (a) any conditional sale or other title retention agreement and any lease having substantially the same effect as any of the foregoing, (b) any assignment or deposit arrangement in the nature of a security device, (c) any claim based on any theory that the Purchaser is a successor, transferee or continuation of the Debtor or the Debtor's business, or (d) any leasehold interest, license or other right, in favor of a third party or the Debtor, to use any portion of the Purchased Assets, whether secured or unsecured, choate or inchoate, filed or unfiled, scheduled or unscheduled, noticed or unnoticed, recorded or unrecorded, contingent or non-contingent, material or non-material, known or unknown (other than permitted exceptions) (referred to collectively, whether having arisen, been incurred or accrued prepetition or postpetition, as the "Liens and Claims"), pursuant to Section 363(f) of the

Debtor: Love Culture Inc.

Case No: 14-24508 (NLW)

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Bankruptcy Code, with all such Liens and Claims upon the Purchased Assets to be unconditionally and irrevocably released, discharged and terminated; provided, however, that all such Liens and Claims shall attach to the proceeds of the Sale of the Purchased Assets with the same extent, validity and priority as existed with respect to the Purchased Assets prior to Closing.

4. The Purchase Agreement between the Purchaser and the Debtor, and each of the terms thereof and the transaction contemplated thereby, are approved. The Debtor is authorized and directed to execute and deliver such other documents and take such other actions as may be necessary, desirable or appropriate to effect, implement, and/or consummate the Purchase Agreement, the sale of the Purchased Assets, and all other transactions described in the Purchase Agreement, without further application to or order of this Court.

5. The provisions of this Order authorizing the Sale of the Purchased Assets by the Debtor free and clear of Liens and Claims to the extent hereinafter provided (with such Liens and Claims to attach to the proceeds of the sale of the Purchased Assets), shall be self-executing, and neither the Debtor, the Purchaser nor any other party shall be required to execute or file releases, termination statements, assignments, cancellations, consents or other instruments to effectuate, consummate and/or implement the provisions hereof with respect to such Sale; provided, however, that this paragraph shall not excuse such parties from performing any and all of their respective obligations under the Purchase Agreement.

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6. All persons or entities, presently or on or after the Closing, in possession of some or all of the Purchased Assets are directed to surrender possession of the Purchased Assets to the Purchaser on the Closing Date or at such time thereafter as the Purchase may request.

7. The terms and provisions of this Order shall be binding in all respects upon the Debtor, its estate, and any trustee thereof, all creditors and shareholders of the Debtor, and all interested parties and their respective successors and assigns, including but not limited to, any creditor asserting a Lien or Claim on or against the Purchased Assets.

8. A certified copy of this Order may be filed with the appropriate clerk and/or recorded with the recorder to act to cancel the Liens and Claims and other encumbrances of record with respect to the Purchased Assets.

9. This Order is and shall be binding upon and govern the acts of all persons and entities, including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any lease; and each of the foregoing persons and entities is hereby authorized to accept for filing any and all of the

Debtor: Love Culture Inc.

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

10. Any and all governmental recording offices and all other parties, persons or entities are authorized to accept this Order for recordation on or after the Closing as conclusive evidence of the free and clear, and unencumbered, transfer of right, title and ownership in and to the Purchased Assets conveyed to the Purchaser at Closing.

11. Except as expressly provided in the Purchase Agreement, the Purchaser is not assuming nor shall it or any affiliate of the Purchaser be in any way liable or responsible, as a successor or otherwise, for any liabilities, debts, or obligations of the Debtor in any way whatsoever relating to or arising from the Debtor's ownership or use of the Purchased Assets prior to the consummation of the transactions contemplated by the Purchase Agreement, or any liabilities calculable by reference to the Debtor or its operations or the Purchased Assets.

12. The consideration provided by the Purchaser for the Purchased Assets purchased pursuant to the Purchase Agreement shall be deemed to constitute reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, any state, territory, possession, or the District of Columbia. The sale of the Purchased Assets to the Purchaser pursuant to the Purchase Agreement and this Order is free from any fraudulent intent, purpose or desire on the part of the Purchaser or the Debtor to escape liability for any obligations of the Debtor or for the purpose of hindering, delaying or defrauding creditors under the

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Bankruptcy Code, under the laws of the United States, any state, territory, possession, or the District of Columbia.

13. The Purchaser is hereby granted and is entitled to the protections provided to a good faith buyer under section 363(m) of the Bankruptcy Code, including with respect to any transfer of any Assigned Contracts as part of the sale of the Purchased Assets pursuant to section 365 of the Bankruptcy Code and this Order. Pursuant to Section 363(m) of the Bankruptcy Code, the reversal or modification of this Order on appeal shall not affect the validity of the transfer of the Purchased Assets to the Purchaser unless the transfer is stayed pending appeal prior to the Closing.

14. The Transactions contemplated in the Purchase Agreement may not be avoided, and no damages may be assessed against the Purchaser under Section 363(n) of the Bankruptcy Code.

15. The provisions of this Order and any actions taken pursuant hereto shall survive the entry of any order which may be entered confirming any plan of reorganization or liquidation or which may be entered converting the Debtor's case from Chapter 11 to Chapter 7 and shall be binding on any trustee or successor trustee. The Debtor shall not file, nor seek to confirm, any plan of reorganization or liquidation in this case or take any action that is inconsistent with the Purchase Agreement or the Debtor's obligations arising thereunder or that impairs in any way the Purchaser's rights or remedies thereunder.

Debtor: Love Culture Inc.

Case No: 14-24508 (NLW)

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16. To the extent provided by Section 525 of the Bankruptcy Code, no governmental unit may revoke or suspend any permit or license relating to the operation of the Purchased Assets sold, transferred or conveyed to the Purchaser on account of the filing or pendency of this Chapter 11 case or the consummation of the transactions contemplated by the Purchase Agreement.

17. Softree, Inc., a designee under the Purchase Agreement and a party adverse to the Debtor in an adversary matter before this Court, Adversary Proceeding No. 14-01684 (NLW), is receiving a portion of the Purchased Assets and exchanging releases with the Debtor and certain other parties pursuant to the Purchase Agreement. All right, title and interest that Softree, Inc. acquired (of the Purchased Assets) prior to the filing of this Chapter 11 case is hereby free of all such Liens and Claims of the Debtor, its estate and its creditors as if the assets had been owned by the Debtor and transferred pursuant to this Order.

18. Subject to and conditioned upon the Closing of the Sale, Purchaser's satisfactory showing of adequate assurance of future performance, and payment by the Purchaser of Cure Amounts (including but not limited to Stub Rent (as defined in the Purchase Agreement) due under the Purchase Agreement, all requirements and conditions under Sections 363 and 365 of the Bankruptcy Code for the assumption and assignment to the Purchaser of the Assumed Contracts and Assumed Leases, as applicable, shall have been satisfied. The Debtor is hereby authorized and directed to assume the Assumed Leases and Assumed Contracts as set forth in the

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Purchase Agreement and to assign such Assumed Leases and Assumed Contracts to the Purchaser, without further application to or order of the Court in accordance with the following procedures:

- a. By August 11, 2014, Noon (PT), the Purchaser shall send applicable landlords evidence of Purchaser's assurance of future performance (the "Adequate Assurance Package").
- b. Within one (1) business day of the Debtor's receipt of written notice from the Purchaser that the Purchaser seeks the assumption by the Debtor and assignment to the Purchaser of a Designated Real Property Lease or Designated Contract listed on the designation list, the Debtor shall file with the Court and serve a by email and overnight mail, notice (the "Assumption Notice") on the landlord or affected contract counterparty (and counsel to the extent known), with a copy thereof to be served upon counsel for the Purchaser, notifying such party that the Debtor proposes to assume its Designated Real Property Lease or Designated Contract and assign such Designated Real Property Lease or Designated Contract to the Purchaser. The Assumption Notice shall set forth: (i) the identity of the Purchaser to whom the Designated Real Property Lease or Designated Contract is to be assigned; (ii) the effective date of the proposed assumption and assignment of the affected Designated Real Property Lease or Designated Contract; (iii) the proposed cure amount, and (iv) will include the Adequate Assurance Package.
- c. The landlord or affected counterparty to a Designated Real Property Lease or Designated Contract shall have five (5) business days from the filing and service of the Designation Assumption Notice to file an objection to the proposed assumption and assignment, including any objections to the proposed cure amount (an "Assumption Objection") and serve such Assumption Objection, so as to be received no later than 4:00 p.m. (ET) on the same day, upon: (i) the Debtor, Love Culture Inc., 2423 E. 23rd Street, Los Angeles, California 90058 (Attn: Mr. David Griffith, davidgriffith@loveculture.com), (ii) its attorneys, Lowenstein Sandler LLP, 65 Livingston Avenue, Roseland, New Jersey 07068 (Attn: Kenneth A. Rosen, krosen@lowenstein.com and Mary E. Seymour,

Debtor: Love Culture Inc.

Case No: 14-24508 (NLW)

Caption: ORDER (A) AUTHORIZING AND APPROVING THE SALE OF THE DEBTOR'S ASSETS FREE AND CLEAR OF LIENS, CLAIMS, CHARGES, ENCUMBRANCES, AND INTERESTS, (B) AUTHORIZING AND APPROVING THE ASSET PURCHASE AGREEMENT WITH RESPECT THERETO AND IMPLEMENTATION THEREOF, (C) AUTHORIZING AND APPROVING THE PROCEDURES FOR THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES AND / OR TRANSFER OF DESIGNATION RIGHTS AS NECESSARY IN CONNECTION WITH THE ASSET SALE, AND (D) GRANTING RELATED RELIEF

mseymour@lowenstein.com), (iii) the Office of the U.S. Trustee (fran.b.steele@usdoj.gov), (iv) counsel for the DIP Lender, Greenberg Traurig, LLP Attn: Alan J. Brody, Esq. (brodya@gtlaw.com), Jeffrey M. Wolf, Esq. (wolfje@gtlaw.com) and Kit Peabody, Esq. (peabodyk@gtlaw.com), 200 Park Avenue, P.O. Box 677, Florham Park, NJ 07932, and (v) counsel to the Official Committee of Unsecured Creditors, Cooley LLP, Attn: Jay Indyke, Esq. (jindyke@cooley.com), Cathy Herschopf, Esq. (cherschopf@cooley.com) 1114 Avenue of the Americas, New York, New York, 10036. If an Assumption Objection is filed and the parties are unable to resolve such objection, the Debtor shall schedule a hearing to consider the objection and shall provide at least three (3) days' notice of such hearing to the objecting party.

- d. To the extent that an Assumption Objection is not received, those Designated Real Property Leases and/or Designated Contracts shall be deemed assumed by the Debtor and assigned to the Purchaser on the proposed effective date without further order of the Court.

19. The Assumed Agreements shall be transferred to, and remain in full force and effect for the benefit of, the Purchaser, as tenant, in accordance with their respective terms, notwithstanding any provision in any such lease agreement (including, without limitation, an anti-assignment provision, a change-of-control provision, or as described in sections 365(b)(2) and (f) of the Bankruptcy Code) that prohibits, restricts, conditions, or limits such assignment or transfer.

20. There shall be no assumption of any Assumed Agreement absent simultaneous assignment thereof to Purchaser. Purchaser shall be deemed to be substituted for Seller as a party to each of the Assumed Agreements.

Debtor: Love Culture Inc.

Case No: 14-24508 (NLW)

Caption: ORDER (A) AUTHORIZING AND APPROVING THE SALE OF THE DEBTOR'S ASSETS FREE AND CLEAR OF LIENS, CLAIMS, CHARGES, ENCUMBRANCES, AND INTERESTS, (B) AUTHORIZING AND APPROVING THE ASSET PURCHASE AGREEMENT WITH RESPECT THERETO AND IMPLEMENTATION THEREOF, (C) AUTHORIZING AND APPROVING THE PROCEDURES FOR THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES AND / OR TRANSFER OF DESIGNATION RIGHTS AS NECESSARY IN CONNECTION WITH THE ASSET SALE, AND (D) GRANTING RELATED RELIEF

21. Pursuant to section 365(k) of the Bankruptcy Code, the Debtor and its estate shall not be liable for any breach of the Assumed Contracts or Assumed Leases after the date of assignment to the Purchaser.

22. The Definition of Purchaser Released Parties and Seller Released Parties in Section 4.4 of the Purchase Agreement are modified per this paragraph. Upon Closing, Purchaser; Softree, Inc.; FNS, Inc.; all members and managers of Purchaser; all shareholders, directors and officers of Softree, Inc. and FNS, Inc.; Jai Rhee; Eun Jung Kim; Myong Kim *aka* Tiffany Kim; Bennett Koo *aka* Bon Ho Koo; Joo Hyun Chung; Cho Wook Jin; Prime Business Credit, Inc.; EJK; any affiliates, agents, attorneys, accountants, representatives, advisors, or employees of any of them; (collectively, the "Purchaser Released Parties") shall each release the Debtor (including Ed Bond and Glenn Langberg -- Debtor's independent directors and J.E. Rick Bunka in his capacity as CRO); the Committee; Salus Capital Partners LLC; and any agents, attorneys, accountants, representatives, advisers, employees of any of them (the "Seller Released Parties") and Seller Released Parties shall release the Purchaser Released Parties, from any and all rights of action, Claims and causes of action, existing at Closing or that ever existed before, including rights of action, Claims and causes of action unknown to or unsuspected by the parties giving the releases with respect to any matters concerning the Debtor and the Bankruptcy Case.

Debtor: Love Culture Inc.

Case No: 14-24508 (NLW)

Caption: ORDER (A) AUTHORIZING AND APPROVING THE SALE OF THE DEBTOR'S ASSETS FREE AND CLEAR OF LIENS, CLAIMS, CHARGES, ENCUMBRANCES, AND INTERESTS, (B) AUTHORIZING AND APPROVING THE ASSET PURCHASE AGREEMENT WITH RESPECT THERETO AND IMPLEMENTATION THEREOF, (C) AUTHORIZING AND APPROVING THE PROCEDURES FOR THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES AND / OR TRANSFER OF DESIGNATION RIGHTS AS NECESSARY IN CONNECTION WITH THE ASSET SALE, AND (D) GRANTING RELATED RELIEF

23. The Purchase Agreement and the transactions and instruments contemplated thereby shall be specifically enforceable against and binding upon, and not be subject to rejection or avoidance by, the Debtor or any subsequent successor, assign, or trustee of the Debtor.

24. No bulk sales law, or similar law of any state or other jurisdiction shall apply in any way to the transactions contemplated by the Purchase Agreement, the Motion, the Supplement and this Order.

25. The Purchase Agreement and any related agreements, documents, or other instruments may be amended by the parties in a writing jointly signed by such parties without further order of the Court, provided that: (a) any such amendment does not have a material adverse effect on the Debtor or the Debtor's estate; (b) any such amendment does not reduce the Purchase Price; and (c) notice of any such amendment shall be provided to the Committee and the DIP lender.

26. This Order shall be effective immediately upon entry pursuant to Rule 7062 and 9014 of the Federal Rules of Bankruptcy Procedure, and no automatic stay of execution, pursuant to Rule 6004(h) or 6006(d) of the Federal Rules of Bankruptcy Procedures, applies with respect to this Order.

27. The Court shall retain jurisdiction over the Debtor, the Purchaser, and all parties asserting Liens and Claims and contract rights on or in the Purchased Assets, to implement, interpret, consummate and/or effectuate the provisions of this Order, the Purchase Agreement,

Debtor: Love Culture Inc.

Case No: 14-24508 (NLW)

Caption: ORDER (A) AUTHORIZING AND APPROVING THE SALE OF THE DEBTOR'S ASSETS FREE AND CLEAR OF LIENS, CLAIMS, CHARGES, ENCUMBRANCES, AND INTERESTS, (B) AUTHORIZING AND APPROVING THE ASSET PURCHASE AGREEMENT WITH RESPECT THERETO AND IMPLEMENTATION THEREOF, (C) AUTHORIZING AND APPROVING THE PROCEDURES FOR THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES AND / OR TRANSFER OF DESIGNATION RIGHTS AS NECESSARY IN CONNECTION WITH THE ASSET SALE, AND (D) GRANTING RELATED RELIEF

and all agreements arising out of, related to, or approved pursuant to this Order, and to enter orders in aid or furtherance of the transactions contemplated in the Purchase Agreement, and to resolve any disputes arising under or related to the Purchase Agreement or the related transactions.

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

29. Except as set forth in the Purchase Agreement, the Purchaser is not a "successor" to the Debtor or its bankruptcy estate by reason of any theory of law or equity, and the Purchaser shall not assume, nor be deemed to assume, or in any way be responsible for, any liability or obligation of any of the Debtor and/or its estate, including but not limited to any bulk sales law or similar liability, except as otherwise expressly provided in the Purchase Agreement.

30. The provisions of the Purchase Agreement may be waived, modified, amended, or supplemented by agreement of the Debtor and the Purchaser and, where and if applicable, any third parties materially affected thereby, without further action of the Court; provided, however, that any such waiver, modification, amendment, or supplement is not material and substantially conforms to and effectuates the Purchase Agreement and any related agreements.

31. The failure specifically to include any particular provisions of the Purchase Agreement or any related agreements in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court, the Debtor and the Purchaser that the Purchase

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Debtor:

Love Culture Inc.

Case No:

14-24508 (NLW)

Caption:

ORDER (A) AUTHORIZING AND APPROVING THE SALE OF THE DEBTOR'S ASSETS FREE AND CLEAR OF LIENS, CLAIMS, CHARGES, ENCUMBRANCES, AND INTERESTS, (B) AUTHORIZING AND APPROVING THE ASSET PURCHASE AGREEMENT WITH RESPECT THERETO AND IMPLEMENTATION THEREOF, (C) AUTHORIZING AND APPROVING THE PROCEDURES FOR THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES AND / OR TRANSFER OF DESIGNATION RIGHTS AS NECESSARY IN CONNECTION WITH THE ASSET SALE, AND (D) GRANTING RELATED RELIEF

Agreement and any related agreements are authorized and approved in their entirety with such amendments thereto as may be made by the parties in accordance with this Order.

EXHIBIT A

ASSET PURCHASE AGREEMENT

between

United LC Capital LLC, as Purchaser

and

Love Culture Inc., as Seller

Date: August 6, 2014

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08/07/2014 31720687 .4

Approved by Judge Nivola on August 07, 2014

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ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT is entered into and dated as of August 6, 2014 (this "Agreement"), by and between United LC Capital LLC, a California limited liability company ("Purchaser"), and Love Culture, Inc., a registered California corporation ("Seller") (Purchaser and Seller are each a "Party" and collectively the "Parties").

WITNESSETH:¹

WHEREAS, Seller owns and operates a chain of retail stores selling clothing and related goods (the "Business");

WHEREAS, on July 16, 2014, Seller filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the "Bankruptcy Code") in the United States Bankruptcy Court for the District of New Jersey (the "Bankruptcy Court"), Case No. 14-24508(NLW) (the "Bankruptcy Case");

WHEREAS, upon the terms and subject to the conditions set forth herein and as authorized under Sections 105, 363, and 365 of the Bankruptcy Code, Purchaser desires to purchase from Seller, and Seller desires to sell to Purchaser, the Purchased Assets in exchange for the payment to Seller of the Purchase Price and the assumption by Purchaser of the Assumed Liabilities;

WHEREAS, the transactions contemplated by this Agreement (the "Transactions") will be subject to the approval of the Bankruptcy Court and will be consummated only pursuant to a Sale Order (as defined below) to be entered in the Bankruptcy Case and other applicable provisions of the Bankruptcy Code; and

WHEREAS, Seller and Purchaser wish to enter into this Agreement, pursuant to which Seller agrees to sell to Purchaser, and Purchaser agrees to buy from Seller, certain of Seller's assets pursuant to the terms hereof.

NOW, THEREFORE, in consideration of the premises and the mutual representations, warranties, covenants and agreements hereinafter contained, and intending to be bound hereby, the Parties hereby agree as follows:

ARTICLE I

DEFINITIONS

1.1 Certain Definitions. For purposes of this Agreement, the following terms shall have the meanings specified in this Section 1.1 or in other Sections of this Agreement:

"Acquired Location" means any Location which is subject to and becomes an Assumed Real Property Lease.

¹ Capitalized terms used but not defined in these recitals have the meanings ascribed thereto in section 1.1 hereof.

“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. For purposes of this definition, 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.

“Allocation Statement” has the meaning set forth in Section 10.2.

“Assumed Agreements” means those Designated Contracts and Designated Real Property Leases that are assumed and assigned to Purchaser by Order of the Bankruptcy Court.

“Assumed Contracts” means those Designated Contracts that the Purchaser elects to have assumed by the Debtor and assigned to Purchaser.

“Assumed Liabilities” has the meaning ascribed thereto in Section 2.3.

“Assumed Real Property Leases” means those Designated Real Property Leases that the Purchaser elects to have assumed by the Debtor and assigned to Purchaser.

“Assumption Approval” has the meaning set forth in Section 2.5(b).

“Assumption Order” means an Order of the Bankruptcy Court authorizing the assumption or the assumption and assignment of a Real Property Lease or Contract pursuant to Section 365 of the Bankruptcy Code.

“Books and Records” means all files, documents, instruments, papers, books and records, including Tax books and records (whether stored or maintained in hard copy, digital or electronic format, or otherwise) used by Seller in connection with the Business or relating to the Purchased Assets, including customer lists, customer information and account records, computer files, data processing records, payroll, employment and personnel records, advertising and marketing data and records, credit records, records relating to suppliers, and other data.

“Business Day” means any day of the year on which national banking institutions in New York are open to the public for conducting business and are not required or authorized by Law to close.

“Cash Portion” has the meaning set forth in Section 3.1(a)(i).

“Claim” has the meaning set forth in Section 101(5) of the Bankruptcy Code.

“Closing” has the meaning set forth in Section 4.1.

“Closing Date” has the meaning set forth in Section 4.1.

“Committee” shall mean the official committee of unsecured creditors appointed in the Bankruptcy Case by the United States Trustee on July 23, 2014.

“Contract” means any written or oral agreement, arrangement, understanding, license, sublicense, lease, or instrument or other contractual or similar arrangement or commitment to which Seller is a party, other than a Real Property Lease.

“Cure Amounts” means monetary amounts that must be paid and nonmonetary obligations that otherwise must be satisfied (whether arising before or after the Petition Date), including pursuant to Sections 365(b)(1)(A) and (B), 365(d)(3) and 503(b) of the Bankruptcy Code, in connection with the assumption or assignment of the Designated Real Property Leases and the Designated Contracts, as such amounts and obligations may be modified by agreement between Purchaser and any applicable counterparty to a Designated Real Property Lease or Designated Contract.

“Customer Obligations” means obligations of Seller under Customer Programs.

“Customer Programs” means customer-targeted practices of Seller which are designed to (a) develop and sustain positive reputations for Seller’s stores and merchandise in the marketplace and (b) attract new customers to Seller’s stores and to enhance store loyalty and sales among Seller’s existing customer base, including, without limitation, gift cards, store credits, merchandise return and exchange policies, layaway plans, credit card reward programs, club card, club pass, and other customer loyalty programs, and charitable programs such as gift card fundraisers and shop-a-thons.

“Deposit” has the meaning set forth in Section 3.2.

“Designated Ecommerce Assets” has the meaning set forth in Section 2.8(a).

“Designated Real Property Leases” has the meaning set forth in Section 2.1(b)(i).

“Designated Contracts” has the meaning set forth in Section 2.1(b)(i).

“Designated Agreements” has the meaning set forth in Section 2.1(b)(i).

“DIP Credit Agreement” means that certain *Debtor-in-Possession Credit Agreement* by and among Seller and Salus Capital Partners, LLC, and the other parties thereto dated as of July 17, 2014.

“DIP Lender” means Salus Capital Partners, LLC.

“Encumbrance” means any Lien, security interest, mortgage, deed of trust, option, lease, tenancy, occupancy, covenant, condition, easement, agreement, royalty, pledge, hypothecation, charge, claim, option, right of first refusal, servitude, proxy voting trust or agreement, adverse claim, transfer restriction under any agreement of any kind or nature, known or unknown, or other encumbrance, that burdens property of the Seller.

“Equipment” means all machinery, rolling stock, equipment, computer equipment, software, software systems, databases, and database systems used at the Acquired Locations.

“Escrow Agent” has the meaning set forth in Section 3.2.

"Escrow Agreement" has the meaning set forth in Section 3.2.

"Excluded Assets" has the meaning set forth in Section 2.2.

"Excluded Liabilities" has the meaning set forth in Section 2.4.

"FF&E" has the meaning set forth in Section 2.1(b)(iii).

"Fixed Assets" means all furniture, furnishings, fixtures, trade fixtures, racks, pallets, displays, and office equipment used at the Acquired Locations.

"Governmental Body" means any governmental unit (as that term is defined in section 101(27) of the Bankruptcy Code), government, or governmental or regulatory body thereof, or political subdivision thereof, whether foreign, federal, state, or local, or any agency, instrumentality, or authority thereof, or any court or arbitrator (public or private).

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvement Act of 1976, as amended, and the rules and regulations promulgated thereunder.

"Intellectual Property" means, to the extent relating to or used in connection with the Business, whether owned or licensed, whether related to use in the United States or another country, (i) any and all patents (including design patents, industrial designs, and utility models) and patent applications (including docketed patent disclosures awaiting filing, reissues, divisions, continuations, continuations-in-part, and extensions), patent disclosures awaiting filing determination, inventions and improvements thereto, (ii) trademarks, service marks, certification marks, trade names, brand names, trade dress, logos, business and product names, slogans, and registrations and applications for the registration thereof, (iii) copyrights (including software) and registrations thereof, (iv) inventions, processes, designs, formulae, trade secrets, know-how, industrial models, confidential and technical information, manufacturing, engineering, and technical drawings, product specifications, discoveries, and confidential business information, (v) intellectual property rights similar to any of the foregoing, (vi) computer software, web sites, and domain names, (vii) copies and tangible embodiments thereof (in whatever form or medium, including electronic media) and (viii) all contracts or licenses for the use of any of the foregoing, in the case of each of the foregoing, together with all goodwill directly or indirectly associated therewith.

"Interest" shall mean an "interest in property" as such phrase is used in Section 363(f) of the Bankruptcy Code.

"Inventory" means all of Seller's merchandise inventory, regardless of where such inventory is located, as of the Closing Date.

"IRC" means the Internal Revenue Code of 1986, as amended.

"Knowledge of Seller" means the actual knowledge, without inquiry or investigation, of the chief executive officer of Seller.

“Law” means any federal, state, local, or foreign law, statute, code, ordinance, rule, regulation, or common-law requirement.

“Leased Real Property” means the real property leased by Seller, as tenant, as described in Schedule 2.1(b)(i), together with, to the extent leased by Seller, all buildings and other structures, facilities, or improvements currently or hereafter located thereon, all fixtures, systems (including HVAC), equipment, and items of personal property of Seller attached or appurtenant thereto, and all easements, licenses, rights, and appurtenances relating to the foregoing.

“Legal Proceeding” means any judicial, administrative, or arbitral actions, suits, or proceedings (public or private) or any proceedings by or before a Governmental Body.

“Liability” means any debt, liability, or obligation (whether direct or indirect, known or unknown, absolute or contingent, accrued or not accrued, liquidated or unliquidated, or due or to become due), and including all costs and expenses relating thereto.

“Lien” has the meaning ascribed thereto in Section 101(37) of the Bankruptcy Code.

“Location” means any place at which Seller operates the Business.

“Material Adverse Effect” means any change, event, occurrence, fact, condition, effect, or development that is materially adverse to (i) the Purchased Assets, (ii) the Business, or (iii) the ability of Seller to consummate the transactions contemplated hereunder in accordance with the terms hereof.

“Order” means any order, injunction, judgment, decree, ruling, writ, assessment, or arbitration award of a Governmental Body.

“Permitted Exceptions” means, with respect to any of the property or assets of Seller, whether owned as of the date hereof or hereafter, (i) all defects, exceptions, restrictions, easements, rights of way, and encumbrances of record; (ii) any other imperfections in title, charges, easements, restrictions, and encumbrances that do not materially affect the use of the affected asset; (iii) any state of facts as shown on the surveys of any Acquired Location provided to Purchaser by Seller; (iv) zoning, entitlement and other land use and environmental regulations by any Governmental Body; and (v) any state of facts shown on any title commitment or policy or other documentation provided to Purchaser by Seller relating to any Acquired Location.

“Periodic Taxes” has the meaning set forth in Section 10.1.

“Permits” has the meaning set forth in Section 2.1(b)(vii).

“Person” means any individual, corporation, limited liability company, partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Body, or other entity.

“Petition Date” means July 16, 2014.

“Purchase Price” has the meaning set forth in Section 3.1(a).

"Purchased Assets" has the meaning set forth in Section 2.1(b).

"Real Property Lease" means any real property lease, sublease, license, or other agreements under which Seller uses or occupies or has the right to use or occupy, as lessor (or sublessor) or lessee (or sublessee), or licensor or licensee, now or in the future, any real property used in the conduct of or related to the Business or any portion thereof.

"Rejected Agreement(s)" has the meaning set forth in Section 2.2(a).

"Sale Order" means an Order entered by the Bankruptcy Court approving this Agreement, which shall be reasonably acceptable to Seller and Purchaser; and which Order is subject to Purchaser's approval before presentation to the Bankruptcy Court, which approval shall not be unreasonably withheld.

"Security Deposits" means all security deposits (including cash) held by landlords, utilities, or other parties under any Assumed Agreements.

"Stub Rent" means all amounts owing to landlords with Real Property Leases for the period of the Petition Date through July 31, 2014.

"Tax Authority" means any government, or agency, instrumentality, or employee thereof, charged with the administration of any Law relating to Taxes.

"Tax Return" means all returns, declarations, reports, estimates, information returns, and statements required to be filed in respect of any Taxes (including any attachments thereto or amendments thereof).

"Taxes" means (i) all federal, state, local, or foreign taxes, charges, or other assessments, including, without limitation, all net income, gross receipts, capital, sales, use, ad valorem, value added, transfer, franchise, profits, inventory, capital stock, license, withholding, payroll, employment, social security, unemployment, excise, severance, stamp, occupation, property, and estimated taxes; (ii) any item described in clause (i) for which a taxpayer is liable as a transferee or successor, by reason of the regulations under Section 1502 of the IRC, or by contract, indemnity, or otherwise; and (iii) all interest, penalties, fines, additions to tax, or additional amounts imposed by any Tax Authority in connection with any item described in clause (i) or (ii).

"Termination Date" has the meaning set forth in Section 4.4(a).

"Trade Vendors" means those entities who provided goods or services to the Debtor, other than employees, insiders and professionals.

1.2 Other Definitional and Interpretive Matters. Unless otherwise expressly provided, for purposes of this Agreement, the following rules of interpretation shall apply:

Calculation of Time Period. 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, then the period in question shall end on the next succeeding Business Day.

Exhibits and Schedules. 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.

Gender and Number. Any reference in this Agreement to any gender or genders shall include all genders. Words imparting only the singular number shall include the plural and vice versa.

Headings. The provision of a Table of Contents, the division of this Agreement into Articles, Sections, and other subdivisions, and the insertion of headings are for convenience of reference only and shall not affect or be utilized in construing or interpreting this Agreement. All references in this Agreement to any "Section" are to the corresponding Section of this Agreement unless otherwise specified.

Herein. 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 so stated.

Including. The word "including" or any variation thereof means "including without limitation" and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it unless so stated.

Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement and, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as jointly drafted by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provision of this Agreement.

ARTICLE II

PURCHASE AND SALE OF ASSETS; ASSUMPTION OF LIABILITIES

2.1 Purchase and Sale of Assets.

(a) On the terms and subject to the conditions set forth in this Agreement, at the Closing, to the fullest extent permitted by Sections 363 and 365 of the Bankruptcy Code, Purchaser shall purchase, acquire, and accept from Seller, and Seller shall sell, transfer, convey, and deliver to Purchaser, all of Seller's right, title, and interest in, to, and under the Purchased Assets, free and clear of all Liens, Claims, Interests, and Encumbrances other than those created by Purchaser and other than Permitted Exceptions.

(b) For purposes of this Agreement, the term "Purchased Assets" means all of the following properties, assets, and rights of Seller (other than the Excluded Assets) existing as of the Closing:

(i) the right to designate Real Property Leases and Contracts to be assumed and assigned to Purchaser or its designee, from among those listed on Schedule 2.1(b)(i) (respectively the "Designated Real Property Leases" and the "Designated Contracts" and, collectively, the "Designated Agreements");

(ii) to the extent transferable and assignable, the Intellectual Property identified on Schedule 2.1(b)(ii) and to the extent transferable and assignable, all other Intellectual Property;

(iii) all Fixed Assets and Equipment, wherever located, that are (a) at 2423 E. 23rd Street, Vernon, CA 90058 (the "Warehouse"); (b) are used to operate the Acquired Locations; or (c) are used in any other aspect of the Business (collectively, the "FF&E"), including the FF&E set forth on Schedule 2.1(b)(iii);

(iv) all of Seller's causes of action against the Purchaser Released Parties and all avoidance rights and actions of Seller against Trade Vendors, including, without limitation, preferences and any other Claims and actions arising under Sections 544, 547, 548, 549, and 550 of the Bankruptcy Code and other similar Law;

(v) all customer data and customer management relationship software relating to the Business or used by Seller in connection with the Acquired Locations or the Warehouse, to the extent permissible under Section 363(b) of the Bankruptcy Code and other applicable Law;

(vi) all Security Deposits relating to any Assumed Agreements;

(vii) to the extent transferable and assignable, all licenses, franchises, permits, variances, exemptions, orders, approvals, and authorizations issued by Governmental Bodies in connection with the Acquired Locations, the Warehouse or the Business (the "Permits");

(viii) all telephone numbers and rights associated with Acquired Location addresses, including email addresses, used by Seller in connection with the Acquired Locations, the Warehouse or the Business;

(ix) all goodwill arising in connection with the Acquired Locations, the Warehouse, or the Business; and

(x) to the extent transferable and assignable, all Books and Records relating to the Acquired Locations, the Warehouse or the Business, but excluding any Books and Records that are subject to attorney-client or similar privilege or any other Books or Records that Seller is precluded or restricted from transferring pursuant to applicable Law (for the avoidance of any doubt, Seller or any successor thereto, shall have access to the Books and Records post-Closing).

2.2 Excluded Assets. Notwithstanding anything to the contrary contained herein, nothing herein shall be deemed to sell, transfer, assign, or convey the Excluded Assets to Purchaser, and Seller shall retain all right, title, and interest to, in, and under, and all obligations

with respect to, the Excluded Assets. For all purposes of and under this Agreement, the term "Excluded Assets" means:

- (a) the Real Property Leases and Contracts listed on Schedule 2.2 attached hereto (collectively, the "Rejected Agreements");
- (b) Real Property Leases and Contracts listed on Schedule 2.1(b) that do not become Assumed Agreements pursuant to this Agreement;
- (c) all Tax refunds, rebates, credits, and similar items or attributes relating to or arising out of the operation of the Business and to any period, or portion of any period, on or prior to the Closing Date;
- (d) all of Seller's cash;
- (e) all accounts receivable of Seller as of the Closing Date; and
- (f) all assets of Seller not specifically described in Section 2.1, including without limitation any rights of Seller under this Agreement.

2.3 Assumption of Liabilities. On the terms and subject to the conditions and limitations set forth in this Agreement, at the Closing Purchaser shall assume, effective as of the Closing, and shall timely perform and discharge in accordance with their respective terms, the following Liabilities existing as of the Closing (collectively, the "Assumed Liabilities") and no others:

- (a) all Liabilities of Seller under the Assumed Agreements that arise after the Closing, including any and all benefits and burdens of post-Closing adjustments under any Assumed Agreement; provided however that to the extent that the Purchaser requests and the Debtor agrees that the ten (10) day designation period set forth in Section 2.6(a) be extended beyond August 31, 2014, Purchaser shall be responsible for all Liabilities (including any and all lease costs) incurred during such extended period;
- (b) all Cure Amounts (including but not limited to Stub Rent) with respect to the Assumed Agreements;
- (c) all obligations owing to Seller's employees who are hired (estimated to be at least 70% at the corporate level and substantially all employees at the store level) by Purchaser at Closing, that accrue prior to or following the Closing, including without limitation all accrued vacation, paid time off, or sick pay as of the Closing Date, and any and all severance obligations owing to such employees as a result of the Transactions or otherwise, other than all salary and wage payments due to Seller's employees prior to or on account of events prior to the Closing, which shall be paid by Seller;
- (d) all Customer Obligations existing as of and arising after the Closing that pertain to Acquired Locations; and

(e) all Liabilities arising out of Purchaser's ownership, use, or occupancy of the Purchased Assets after the occurrence of the Closing; and

(f) all Liabilities of Seller arising under § 503(b)(9) of the Bankruptcy Code (the "503(b)(9) Liabilities") (a schedule of the Debtor's estimated amounts is set forth in Schedule 2.3(f) attached hereto). (Post-Closing, Purchaser reserves the right to bring an application to the Bankruptcy Court requesting a venue, other than the Bankruptcy Court, where Bankruptcy Code section 503(b)(9) claims are to be adjudicated).

2.4 Excluded Liabilities. Purchaser does not assume, and shall not be deemed to have assumed, any Liabilities of Seller of whatever nature, whether presently in existence or arising hereafter, known or unknown, disputed or undisputed, contingent or non-contingent, liquidated or unliquidated, or otherwise, other than the Assumed Liabilities (collectively, the "Excluded Liabilities").

2.5 Purchaser Not Seller's Successor-in-Interest Neither Purchaser nor any of its Affiliates, employees, managers, owners or executives is a successor to, partner of or joint venturer with Seller or any of its Affiliates or agents by reason of this Agreement or any of the Transactions. Purchaser's use of the Purchased Assets is not a continuation, extension or revival of Seller's business, operations or corporate essence and neither Purchaser nor any of its Affiliates, employees, managers, owners or executives has or will have any liability to any person to whom Seller is or was, or allegedly is or was, indebted on or before the Closing Date by reason of Purchaser's entry into this Agreement, or for any other reason, except as is expressly assumed in this Agreement.

2.6 Assignment of Designated Real Property Leases and Designated Contracts.

(a) Within ten (10) days after entry of the Sale Order, Purchaser will notify Seller in writing which of the Real Property Leases and Contracts listed on Schedule 2.1(b)(i) will be designated for assignment to Purchaser and thereby become Designated Agreements.

(b) Within five (5) days after Purchaser's designation under Section 2.6(a), Seller will, at no additional cost or expense to Purchaser, take all actions necessary to assign to Purchaser or its designee the Designated Agreements and Seller will deliver one or more Orders effectuating the assignment of the Designated Agreements to Purchaser and, as appears necessary or as is requested by Purchaser, Seller's assumption of the Designated Agreements (the "Assumption Approval"). The Orders effectuating assignment of the Designated Agreements are subject to review and approval by Purchaser prior to submission for entry by the Bankruptcy Court, which approval will not be unreasonably withheld.

(c) In connection with the assignment to Purchaser of the Assumed Agreements, Purchaser shall pay all Cure Amounts, including but not limited to Stub Rent.

2.7 Further Conveyances and Assumptions. From time to time following the Closing, Seller shall take commercially reasonable efforts to transfer to Purchaser any Purchased Assets received by or in the possession of Seller.

2.8 Assignment of Designated Ecommerce Assets.

(a) Purchaser designates Softree, Inc ("Softree") as its designee to receive certain Purchased Assets related to the ecommerce business of Seller as set forth in this Section 2.8(a) ("Designated Ecommerce Assets"). The FF&E, Contracts, and Intellectual Property listed on Schedule 2.8(a) are designated for assignment to Softree ("Designated Ecommerce Assets"). After the Closing, as between Purchaser and Softree, (i) Purchaser and Softree shall equally and jointly own each of the Trademarks listed on Schedule 2.8(a); (ii) Softree shall exclusively own all of the Domain Names and Internet Accounts listed on Schedule 2.8(a); and (iii) Purchaser and Softree shall equally and jointly own the Products Designs and Copyrights listed on Schedule 2.8(a). Purchaser and Softree shall prepare one or more assignment agreements in a form reasonably agreed upon by the Parties with respect to the Designated Ecommerce Assets listed on Schedule 2.8(a) to be executed and delivered by the Parties at Closing. Notwithstanding anything to the contrary in this Agreement, the Parties hereto agree and acknowledge that Softree (and not Purchaser or Seller) is the bona fide and exclusive owner of the "Love Culture" online commerce business and related assets, including, but not limited to, the domain name www.loveculture.com and the website and commercial and intellectual property rights associated with said domain name, formerly owned by Seller but sold by Seller to Softree pursuant to that certain Domain and E-Commerce Business Purchase Agreement dated April 2, 2014.

(b) Seller will, at no additional cost or expense to Purchaser, take all actions necessary to assign to Softree the Designated Ecommerce Assets. Subject to Section 3.1(b), Seller, as part of its obligation to obtain Assumption Approval, will deliver one or more Orders effectuating the assignment of the Contracts listed on Schedule 2.8(a) to Softree and, as appears necessary or as is requested by Purchaser or Softree, Seller's assumption of such Contracts as Designated Agreements. Orders effectuating assignment of the Designated Agreements that are to be assigned to Softree are subject to review and approval by Purchaser and Softree prior to submission for entry by the Bankruptcy Court, which approval will not be unreasonably withheld.

ARTICLE III

CONSIDERATION

3.1 Consideration.

(a) The aggregate consideration for the Purchased Assets (the "Purchase Price") shall be:

(i) the sum of Ten Million, One Hundred Thousand Dollars (\$10,100,000.00) (the "Cash Portion"); plus

(ii) the sum of Four Hundred Thousand Dollars (\$400,000.00), payable in four installments of One Hundred Thousand Dollars (\$100,000.00) each, on the first day of each calendar quarter beginning January 1, 2015 and continuing for the next three calendar quarters, each such installment subject to a ten day grace period following written demand, should a payment not be made as stated (for the avoidance of any doubt and notwithstanding anything to the contrary in Section 4.4 of this Agreement, Seller shall receive a blanket lien on all

assets of Purchaser to secure the \$400,000 obligation, junior only to Sofree loan to Purchaser for the acquisition of inventory which Purchaser estimates to be approximately \$3,000,000); plus

- (iii) an amount equal to the Security Deposits; plus
- (iv) an amount sufficient to pay all Cure Amounts (including but not limited to Stub Rent) with respect to the Assumed Agreements; plus
- (v) assumption of the Assumed Liabilities.

(b) For the avoidance of any doubt, and notwithstanding anything to the contrary contained herein, failure to obtain an Assumption Approval for a Designated Agreement (so that such Designated Agreement fails to become an Assumed Agreement) shall not effect or otherwise serve as an offset against the consideration set forth in this Section 3.1.

3.2 Purchase Price Deposit. Purchaser has delivered to Seller cash equal to \$2,500,000 (the "Deposit"), which Deposit is held by Lowenstein Sandler LLP (the "Escrow Agent") pursuant to a separate escrow agreement (the "Escrow Agreement") to be agreed upon by the Parties and applied as follows:

- (a) if the Closing shall occur, then the Deposit shall be applied towards the Cash Portion of the Purchase Price and paid over to Seller at the Closing;
- (b) if this Agreement is terminated for any reason other than Purchaser's default, then the Deposit shall be paid promptly to Purchaser; and
- (c) if this Agreement is terminated due to Purchaser's default, then the Deposit shall be retained by Seller as liquidated damages.

ARTICLE IV

CLOSING AND TERMINATION

4.1 Closing Date. Subject to the satisfaction of the conditions set forth in Section 9.1, Section 9.2, and Section 9.3 hereof (or the waiver thereof by the Party entitled to waive such conditions), the closing of the purchase and sale of the Purchased Assets and the assumption of the Assumed Liabilities provided for in Article II hereof (the "Closing") shall take place at the offices of Lowenstein Sandler LLP, 65 Livingston Avenue, Roseland, New Jersey 07068 (or at such other place as the Parties may designate in writing) at 10:00 a.m. (Prevailing Eastern Time) on the first Business Day on which all of the conditions set forth in Article IX have been satisfied or waived (other than conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions), but in no event shall the Closing take place later than August 13, 2014, unless another time or date, or both, are agreed to in writing by the Parties and the DIP Lender. The date on which the Closing shall be held is referred to in this Agreement as the "Closing Date." The Closing shall occur at or before Noon (Prevailing Eastern Time) on the Termination Date (as defined below).

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

- (a) one or more duly executed bills of sale in a reasonable form to be agreed upon by the Parties;
- (b) subject to the Designation Rights in Section 2.6, one or more duly executed assumption and assignment agreements in a form reasonably agreed upon by the Parties with respect to each of the Assumed Real Property Leases and the Assumed Contracts;
- (c) the officer's certificate, without personal liability to the executing officer, required to be delivered pursuant to Section 9.1(a) and Section 9.1(b);
- (d) a copy of the Sale Order as entered by the Bankruptcy Court;
- (e) subject to the Designation Rights in Section 2.6, all keys to the Acquired Locations and any and all passwords for all computers and security devices that are part of the Purchased Assets;
- (f) written instructions to the Escrow Agent to release to Seller the Deposit;
- (g) subject to the Designation Rights in Section 2.6, possession of the Purchased Assets;
- (h) the Intellectual Property identified on Schedule 2.1(b)(ii);
- (i) one or more duly executed assignment agreements in a form reasonably agreed upon by the Parties with respect to the Intellectual Property identified on Schedule 2.1(b)(ii) and the Designated Ecommerce Assets listed on Schedule 2.8(a); and
- (j) such other documents, instruments, and certificates as Purchaser may reasonably request, provided that Seller shall not be required to incur any out-of-pocket expense or additional Liability in providing any of the foregoing.

4.3 Deliveries by Purchaser. At the Closing, Purchaser shall deliver:

- (a) cash in the amount of the Cash Portion, plus the Security Deposits, less the Deposit, by wire transfer of immediately available funds to the persons and accounts specified by Seller in writing at least one (1) Business Day prior to the Closing;
- (b) subject to the Designation Rights in Section 2.6, one or more duly executed assumption and assignment agreements in a form reasonably agreed upon by the Parties;
- (c) written instructions to the Escrow Agent to release to Seller the Deposit;
- (d) the officer's certificate, without personal liability to the executing officer, required to be delivered pursuant to Section 9.2(a) and Section 9.2(b);

(e) one or more duly executed assignment agreements in a form reasonably agreed upon by the Parties with respect to the Intellectual Property identified on Schedule 2.1(b)(ii) and the Designated Ecommerce Assets listed on Schedule 2.8(a); and

(f) such other documents, instruments, and certificates as Seller may reasonably request.

4.4 Closing Effectuates Releases: Termination of Litigation. The Closing is intended to effectuate the broadest releases possible by and among the Purchaser Released Parties and the Seller Released Parties.

(a) "Purchaser Released Parties" means Purchaser; Softree, Inc.; FNS, Inc.; all members and managers of Purchaser; all shareholders, directors and officers of Softree, Inc. and FNS, Inc.; Jai Rhee; Eun Jung Kim; Myong Kim *aka* Tiffany Kim; Bennett Koo *aka* Bon Ho Koo; Joo Hyun Chung; Cho Wook Jin; any affiliates, agents, attorneys, accountants, representatives, advisors, or employees of any of them; and Prime Business Credit, Inc.

(b) "Seller Released Parties" means Seller; the Committee; Salus Capital Partners LLC; and any agents, attorneys, accountants, representatives, advisors or employees of any of them.

(c) Upon Closing, Purchaser Released Parties release Seller Released Parties; and Seller Released Parties release Purchaser Released Parties, from any and all rights of action, Claims and causes of action, existing at Closing or that ever existed before that, including rights of action, Claims and causes of action unknown to or unsuspected by the parties giving the releases with respect to any matters concerning the Debtor and the Bankruptcy Case.

(d) Purchaser Released Parties and Seller Released Parties each and all acknowledge that the facts and circumstance pertinent to this Agreement and the releases could be different than is known to them or believed by them to exist, and that if they had that additional information, their actions could be different. Notwithstanding this, and with full awareness that the information and facts pertinent to these circumstances could be different than is known or believed, the Purchaser Released Parties and the Seller Released Parties each and all give their unconditional releases as is provided for herein.

(e) Any and all Seller Released Parties who have filed suit against any Purchaser Released Parties will, within five Business Days of Closing: (i) disclose in writing to Purchaser Released Parties each instance of litigation; (ii) will take every step needed to dismiss that litigation with prejudice, at the sole cost and burden of the affected Seller Released Party; and (iii) will provide written evidence of such dismissals with prejudice to Purchaser Released Parties. The obligations of this Section 4.4(e) pertain to, without limitation, (i) litigation commenced by Salus Capital Partners LLC against Jai J. Rhee in the United States District Court for the Southern District of New York, case no. 14 CV 5634 (VG) (GWG); and (ii) litigation commenced by Seller against Softree, Inc. and Bon Ho "Bennett" Koo in the Bankruptcy Court as adversary proceeding no. 14-01684-NLW.

4.5 Termination of Agreement. This Agreement may be terminated prior to the Closing as follows:

(a) by Purchaser or Seller, if the Closing shall not have occurred by Noon (Prevailing Eastern Time) on August 20, 2014 (the "Termination Date"); provided, however, that if the Closing shall not have occurred on or before the Termination Date due to a material breach of any representations, warranties, covenants, or agreements contained in this Agreement by Purchaser or Seller, then the breaching Party may not terminate this Agreement pursuant to this Section 4.5(a), and provided further that Seller shall have the right to extend the Termination Date for a period not to exceed thirty (30) days in the aggregate;

(b) by mutual written consent of Seller and Purchaser;

(c) by Purchaser, if any condition to the obligations of Purchaser set forth in Section 9.1 or Section 9.3 shall have become incapable of fulfillment other than as a result of a material breach by Purchaser of any covenant or agreement contained in this Agreement, and if such condition is not waived by Purchaser;

(d) by Seller, if any condition to the obligations of Seller set forth in Section 9.2 or Section 9.3 shall have become incapable of fulfillment other than as a result of a material breach by Seller of any covenant or agreement contained in this Agreement, and if such condition is not waived by Seller;

(e) by Purchaser, if there shall be a material breach by Seller of any representation or warranty, or any covenant or agreement contained in this Agreement that would result in a failure of a condition set forth in Section 9.1 or Section 9.3 and which breach has not been cured by the earlier of (i) three (3) Business Days after the giving of written notice by Purchaser to Seller of such breach and (ii) the Termination Date;

(f) by Seller, if there shall be a material breach by Purchaser of any representation or warranty, or any covenant or agreement contained in this Agreement that would result in a failure of a condition set forth in Section 9.2 or Section 9.3 and which breach has not been cured by the earlier of (i) three (3) Business Days after the giving of written notice by Seller to Purchaser of such breach and (ii) the Termination Date; and

(g) by Purchaser or Seller, if there shall be in effect a final and non-appealable Order of a Governmental Body of competent jurisdiction restraining, enjoining, or otherwise prohibiting the consummation of the Transactions, it being agreed that the Parties shall promptly appeal any adverse determination that is not non-appealable (and pursue such appeal with reasonable diligence).

4.6 Procedure Upon Termination. In the event of termination pursuant to Section 4.5, (a) written notice thereof shall forthwith be given to the other Party or Parties, the DIP Lender, and the Committee, (b) this Agreement shall terminate, (c) the Seller and Purchaser shall cause the Deposit to be released by the Escrow Agent pursuant to Section 3.2 above, and (d) the Transactions shall be deemed abandoned without further action by Purchaser or Seller. If this Agreement is terminated as provided herein, then each party shall redeliver all documents, work papers, and other material of any other Party relating to the Transactions, whether so obtained before or after the execution hereof, to the Party furnishing the same.

4.7 Effect of Termination. In the event that this Agreement is validly terminated as provided herein, then, except as provided in Section 3.2(c), each of the Parties shall be relieved of its duties and obligations arising under this Agreement after the date of such termination and such termination shall be without liability to Purchaser or Seller; provided, however, that the provisions of Articles VII and XI hereof shall survive any such termination and shall be enforceable hereunder; provided further, however, that nothing in this Section 4.6 shall be deemed to release any Party from liability for any breach of its obligations under this Agreement.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents and warrants to Purchaser that:

5.1 Organization and Good Standing. Seller is a registered corporation duly organized, validly existing and in good standing under the Laws of the state of California. Seller is qualified to do business and is in good standing under the Laws of the jurisdictions identified on Schedule 5.1, which constitute all of the jurisdictions in which either the ownership or use of the properties owned or used by it, or the nature of the activities conducted by it requires such qualification, except where the failure to be so qualified and in good standing would not reasonably be expected to have a Material Adverse Effect. Subject to the limitations imposed on Seller as a result of having filed a petition for relief under the Bankruptcy Code, Seller has the requisite power and authority to own, lease, and operate its properties and to carry on its Business as now conducted.

5.2 Authorization of Agreement. Subject to entry of the Sale Order and such other authorization as is required by the Bankruptcy Court, (i) Seller has the requisite power and authority to execute and deliver this Agreement and each other agreement, document, or instrument contemplated hereby to which it is a party and to perform its obligations hereunder and thereunder and (ii) the execution and delivery of this Agreement and each other agreement, document, or instrument contemplated hereby to which it is a party and the consummation of the Transactions have been duly authorized by all requisite corporate action on the part of Seller. This Agreement has been duly executed and delivered by Seller and, upon entry of the Sale Order (assuming the due authorization, execution, and delivery of this Agreement by Purchaser), this Agreement and each other agreement, document, or instrument contemplated hereby to which it is a party will constitute the legal, valid, and binding obligation of Seller enforceable against Seller in accordance with its terms.

5.3 Conflicts: Consents of Third Parties.

(a) The execution and delivery by Seller of this Agreement and each other agreement, document, or instrument contemplated hereby to which it is a party, the consummation of the Transactions, and compliance by Seller with any of the provisions hereof and thereof do not conflict with, 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 termination or cancellation under any provision of (i) the certificate of formation and operating agreement of Seller; (ii) subject to entry of the Sale Order, any enforceable provision of any Real Property Lease or Contract to

which Seller is a party or by which any of the properties or assets of Seller are bound; (iii) subject to entry of the Sale Order, any Order of any Governmental Body applicable to Seller or any of its properties or assets as of the date hereof; or (iv) any applicable Law, other than, in the case of clauses (ii), (iii) and (iv), such conflicts, violations, defaults, terminations, or cancellations that would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(b) Except for the entry of the Sale Order and the required notifications under the HSR Act [and as disclosed on the attached Schedule 5.3(b)], no consent, waiver, approval, Order, permit or authorization of, or declaration or filing with, or notification to, any Person or Governmental Body is required on the part of Seller in connection with the execution and delivery of this Agreement or any other agreement, document, or instrument contemplated hereby to which it is a party, the compliance by Seller with any of the provisions hereof or thereof, the consummation of the Transactions, the assignment or conveyance of the Purchased Assets, or the taking by Seller of any other action contemplated hereby or thereby.

5.4 Title to Purchased Assets. To the Knowledge of Seller, Seller (or an Affiliate) owns, leases, or has the right to transfer the Purchased Assets and, subject to the entry of the Sale Order, Purchaser will be vested with good title to such Purchased Assets, free and clear of all Liens, Claims, Interests, and Encumbrances, other than Permitted Exceptions, to the fullest extent permissible under Section 363(f) of the Bankruptcy Code.

5.5 Real Property Leases and Contracts. Seller has delivered or made available to Purchaser a true and complete copy of all of the Real Property Leases and the Contracts, and such Real Property Leases and Contracts have not been further amended, modified, restated, or otherwise supplemented.

5.6 Brokers. To the Knowledge of Seller, Seller does not have any obligation to pay any fees, commissions, or other similar compensation to any broker, finder, investment banker, financial advisor, or other similar Person in connection with the Transactions, except for any fees payable through Seller's bankruptcy estate.

5.7 No Other Representations or Warranties: Schedules. Except for the representations and warranties contained in this Article V, neither Seller nor any other Person makes any other express or implied representation or warranty with respect to Seller, Seller's Business, the Purchased Assets, the Assumed Liabilities, or the Transactions, and Seller disclaims any other representations or warranties, whether made by Seller, any Affiliate of Seller, or any of Seller's or its Affiliates' respective members, shareholders, managers, officers, directors, employees, agents, representatives, or advisors. Except for the representations and warranties contained in Article V hereof (as modified by any Schedules hereto), Seller (i) expressly disclaims and negates any representation or warranty, expressed or implied, at common law, by statute, or otherwise, relating to the condition of the Purchased Assets (including any implied or expressed warranty of merchantability or fitness for a particular purpose, or of conformity to models or samples of materials) and (ii) disclaims all liability and responsibility for any representation, warranty, projection, forecast, statement, or information made, communicated, or furnished (orally or in writing) to Purchaser or its Affiliates or representatives (including any opinion, information, projection, or advice that may have been or

may be provided to Purchaser by any manager, director, officer, employee, agent, consultant, member, shareholder, or representative of Seller or any of its Affiliates). Except for the representations and warranties contained in Article V hereof, Seller makes no representations or warranties to Purchaser regarding the probable success or profitability of Seller's Business. The disclosure of any matter or item in any Schedule hereto shall not be deemed to constitute an acknowledgment that any such matter is required to be disclosed or is material or that such matter would result in a Material Adverse Effect.

5.8 Good Faith Purchaser. This Agreement was negotiated and entered into at arms' length and, to the Knowledge of Seller, in good faith, and the Parties did not engage in any collusion with respect to setting or fixing the Purchase Price. To the Knowledge of Seller, there are no facts to support a finding that Purchaser negotiated and entered into this Agreement and any ancillary agreements to which Purchaser is a party, other than in good faith, as that term is used in Bankruptcy Code Section 363(m).

EXCEPT AS SET FORTH IN THIS ARTICLE V (AS MODIFIED BY THE SCHEDULES HERETO), (A) ALL OF THE PURCHASED ASSETS SHALL BE TRANSFERRED ON AN AS-IS, WHERE-IS BASIS AND (B) SELLER MAKES NO FURTHER REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, CONCERNING THE PURCHASED ASSETS (INCLUDING WITHOUT LIMITATION IN RESPECT OF THE PHYSICAL CONDITION OF ANY OF THE PURCHASED ASSETS), AND ANY SUCH REPRESENTATION OR WARRANTY IS HEREBY EXPRESSLY DISCLAIMED.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser hereby represents and warrants to Seller that:

6.1 Organization and Good Standing. Purchaser is a limited liability company, duly organized, validly existing, and in good standing (a) under the Laws of the state of California and (b) in each jurisdiction where it is qualified to do business and where the Acquired Locations are located. Purchaser has the requisite power and authority to own, lease, and operate its properties and to carry on its business as now conducted.

6.2 Authorization of Agreement. Purchaser has the requisite power and authority to execute and deliver this Agreement and each other agreement, document, or instrument contemplated hereby to which it is a party and to perform its obligations hereunder and thereunder. The execution and delivery of this Agreement and each other agreement, document, or instrument contemplated hereby to which it is a party and the consummation of the Transactions have been duly authorized by all requisite action on the part of Purchaser. This Agreement and each other agreement, document, or instrument contemplated hereby to which it is a party has been or will be duly and validly executed and delivered by Purchaser and (assuming the due authorization, execution, and delivery by Seller) this Agreement and each other agreement, document, or instrument contemplated hereby to which it is a party constitutes

or will constitute the legal, valid, and binding obligation of Purchaser enforceable against Purchaser in accordance with its terms.

6.3 Conflicts; Consents of Third Parties.

(a) The execution and delivery by Purchaser of this Agreement and each other agreement, document, or instrument contemplated hereby to which it is a party, the consummation of the Transactions, and compliance by it with any of the provisions hereof or thereof do not 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 termination or cancellation under any provision of (i) Purchaser's organizational or governing documents; (ii) any contract, lease, or permit to which Purchaser is a party or by which any of its properties or assets are bound; (iii) any Order of any Governmental Body applicable to Purchaser or any of its properties or assets as of the date hereof; or (iv) any applicable Law, other than, in the case of clauses (ii), (iii), and (iv), such conflicts, violations, defaults, terminations, or cancellations that would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Purchaser's ability to consummate the Transactions.

(b) Except for the entry of the Sale Order and the required notifications under the HSR Act, no consent, waiver, approval, Order, permit, or authorization of, declaration or filing with, or notification to any Person or Governmental Body is required on the part of Purchaser in connection with the execution and delivery of this Agreement and any other agreement, document, or instrument contemplated hereby to which it is a party, the compliance by Purchaser with any of the provisions hereof or thereof, the consummation of the Transactions, or Purchaser's taking of any other action contemplated hereby or thereby.

6.4 Brokers. Purchaser does not have any obligation to pay any fees, commissions, or other similar compensation to any broker, finder, investment banker, financial advisor, or other similar Person in connection with the Transactions.

6.5 Condition of the Purchased Assets. Notwithstanding anything contained in this Agreement to the contrary, Purchaser acknowledges and agrees that Seller is not making any representations or warranties whatsoever, express or implied, beyond those expressly given by Seller in Article V hereof (as modified by any Schedules hereto), and Purchaser acknowledges and agrees that, except for the representations and warranties contained herein, the Purchased Assets are being transferred on a "where is" and, as to condition, "as is" basis. Purchaser acknowledges that it has conducted its own due diligence and in making the determination to proceed with the Transactions, Purchaser is relying on the results of its own independent investigation. Without in any way limiting the foregoing, Purchaser hereby acknowledges that Seller has disclaimed any warranty (express or implied) of merchantability or fitness for any particular purpose as to any portion of the Purchased Assets.

ARTICLE VII

BANKRUPTCY COURT MATTERS

7.1 Submission to the Bankruptcy Court of the Sale Order. The sale of the Purchased Assets is subject to and contingent upon entry of the Sale Order. Purchaser agrees that upon the reasonable request of Seller, it will furnish admissible evidence in the form of affidavits or declarations establishing that Purchaser is a "good faith" purchaser under Section 363(m) of the Bankruptcy Code and that the Purchase Price was not controlled by an agreement in violation of Section 363(n) of the Bankruptcy Code. In the event the entry of the Sale Order is appealed, Seller shall use commercially reasonable efforts to oppose any such appeal. The Sale Order shall contain language that, among other things, transfers to Purchaser all rights available to Purchaser under Section 363 of the Bankruptcy Code, including, without limitation, a finding that Purchaser is a good-faith purchaser pursuant to Section 363(m) of the Bankruptcy Code; that the sale of the Purchased Assets contemplated hereby did not involve any improper conduct, including collusion, and cannot be avoided under grounds set forth under Section 363(n) of the Bankruptcy Code; that all claims of Liens or Encumbrances including, without limitation, the pre-petition and post-petition claims of any secured creditors of Seller or creditors of Seller whose claims could act as a Lien against the Purchased Assets are transferred to the proceeds of the sale, thereby allowing the Purchased Assets to be sold free and clear of any and all Liens, Claims, Interests and Encumbrances of any nature under Section 363(f) of the Bankruptcy Code. The Sale Order shall also waive the fourteen-day stay of the sale of the Purchased Assets pursuant to Fed. R. Bankr. P. 6004(h) and indicate that the Transactions may be consummated immediately upon entry of the Sale Order.

ARTICLE VIII

COVENANTS

8.1 Consents. Seller shall use its commercially reasonable efforts, and Purchaser shall cooperate with Seller, to obtain at the earliest practicable date all consents and approvals required to consummate the Transactions, provided, however, that neither Seller nor Purchaser shall be obligated to pay any consideration therefor to any third party from whom consent or approval is requested or to initiate any Legal Proceedings to obtain any such consent or approval.

8.2 Further Assurances. Subject to the other provisions of this Agreement, each of the Parties shall use its commercially reasonable efforts to (a) take all actions necessary or appropriate to consummate the Transactions and (b) cause the fulfillment at the earliest practicable date of all of the conditions to their respective obligations to consummate the Transactions.

8.3 Publicity. Neither of the Parties shall issue any press release concerning this Agreement or the Transactions without obtaining the prior written approval of the other Party, which approval will not be unreasonably withheld or delayed, unless, in the sole judgment of Purchaser or Seller, 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, provided that 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 Party with respect to the text thereof.

8.4 Schedules and Exhibits. Prior to Closing, Seller may update any Schedules to this Agreement as of the Closing Date, provided that no such update shall relieve Seller for any breach, or deprive Purchaser of any remedy, based on the Schedules as originally provided.

8.5 Payment of Taxes. Subject to Section 10.1 and Section 10.5, Seller shall be responsible for paying or otherwise discharging all of its Taxes for all periods (or portions thereof) ending on or prior to the Closing Date.

8.6 Adequate Assurance. Within two (2) calendar days after the execution of this Agreement, Purchaser shall provide such information to Seller as Seller believes is reasonably necessary to provide "adequate assurance," as that term is used in Section 365 of the Bankruptcy Code, with respect to the Assumed Agreements identified on Schedule 2.1(b)(i).

8.7 Access to Books and Records. Purchaser shall make the Books and Records and personnel available to Seller, at no cost to the Seller, as may be reasonably required by Seller in connection with, among other things, the filing of taxes, reconciliation of claims, administration of the Debtor's estate post-Closing and to otherwise wind-down the Debtor's affairs and Bankruptcy Case.

ARTICLE IX

CONDITIONS TO CLOSING

9.1 Conditions Precedent to Obligations of Purchaser. The obligation of Purchaser to consummate the Transactions is 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 by Purchaser in whole or in part to the extent permitted by applicable Law):

(a) the representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date, except to the extent expressly made as of an earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date, provided, however, that this condition precedent to Closing shall be deemed satisfied unless the failure of such representations and warranties to be so true and correct in all material respects would reasonably be expected to have, in the aggregate, a Material Adverse Effect; and Purchaser shall have received a certificate signed by an authorized officer of Seller, without personal liability to the executing officer, dated the Closing Date, to the effect that the condition set forth in this paragraph (a) has been satisfied;

(b) 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 it on or prior to the Closing Date, and Purchaser shall have received a certificate signed by an authorized officer of Seller, without personal liability to the executing officer, dated on the Closing Date, to the forgoing effect; and

(c) Seller shall have delivered, or caused to be delivered, to Purchaser all of the items set forth in Section 4.2.

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

(a) the representations and warranties of Purchaser contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date, except to the extent expressly made as of an earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date, provided, however, that this condition precedent to Closing shall be deemed satisfied unless the failure of such representations and warranties to be so true and correct in all material respects would reasonably be expected to have, in the aggregate, a material adverse effect on Purchaser's ability to consummate the Transactions; and Seller shall have received a certificate signed by an authorized officer of Purchaser, without personal liability to the executing officer, dated on the Closing Date, to the effect that the condition set forth in this paragraph (a) has been satisfied;

(b) 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 it on or prior to the Closing Date, and Seller shall have received a certificate signed by an authorized officer of Purchaser, without personal liability to the executing officer, dated on the Closing Date, to the foregoing effect; and

(c) Purchaser shall have delivered, or caused to be delivered, to Seller all of the items set forth in Section 4.3.

9.3 Conditions Precedent to Obligations of Purchaser and Seller. The respective obligations of Purchaser and Seller to consummate the Transactions 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 by Purchaser and Seller in whole or in part to the extent permitted by applicable Law):

(a) there shall not be in effect any Order by a Governmental Body of competent jurisdiction restraining, enjoining, or otherwise prohibiting the consummation of the Transactions; and

(b) the Sale Order shall have been entered and shall remain in full force and effect and shall not have been stayed, vacated, modified, or supplemented in any material respect without the prior written consent of Purchaser and Seller.

9.4 Frustration of Closing Conditions. No party may rely on the failure of any condition set forth in Section 9.1, 9.2, or 9.3, as the case may be, if such failure was caused by such party's failure to comply with any provision of this Agreement.

ARTICLE X

TAXES

10.1 Allocation of Taxes. All Taxes imposed on or with respect of the Purchased Assets on a periodic basis (including, but not limited to, real estate Taxes and assessments) ("Periodic Taxes") relating to periods beginning on or before and ending after the Closing Date shall be allocated on a per diem basis to Seller and Purchaser, respectively, in accordance with Section 164(d) of the IRC. All Periodic Taxes relating to periods ending before the Closing Date shall be allocated solely to Seller. All Periodic Taxes relating to the periods beginning on or after the Closing Date shall be allocated solely to Purchaser. If the actual amounts to be prorated are not known as of the Closing Date, then the prorations shall be made on the basis of Periodic Taxes assessed for the prior year.

10.2 Purchase Price Allocation. Seller and Purchaser shall allocate the Purchase Price among the Purchased Assets in accordance with a statement (the "Allocation Statement") provided by Purchaser to Seller as soon as practicable after the Closing, which statement shall be prepared in accordance with Section 1060 of the IRC. Purchaser and Seller shall file all Tax Returns (including Form 8594) consistent with, and shall take no tax position inconsistent with, the Allocation Statement.

10.3 Tax Reporting. Purchaser and Seller shall each be responsible for the preparation and filing of their own Tax Returns.

10.4 Cooperation and Audits. Purchaser and Seller shall cooperate with each other regarding tax matters and shall make available to the other as reasonably requested all information, records and documents relating to Taxes governed by this Agreement until the expiration of the applicable statute of limitations or extension thereof or the conclusion of all audits, appeals or litigation with respect to such Taxes.

10.5 Transfer Taxes. Seller shall use its commercially reasonable efforts to obtain in the Sale Order a decree that, to the extent that the transfer of the Purchased Assets is subject to exemption pursuant to Section 1146(a) of the Bankruptcy Code, the making, delivery, filing and recording of various instruments of transfer to be recorded in connection with the sale by Seller of the Purchased Assets to Purchaser shall not be taxed under any Law imposing a recording tax, stamp tax, transfer tax or similar tax. To the extent that any transfer, registration, stamp, documentary, sales, use, or similar Tax is assessed in connection with the transfer of the Purchased Assets, all such Taxes (including, but not limited to all applicable real estate transfer or gains Taxes), any penalties, interest and additions to Tax, and court, registration and filing fees incurred in connection with this Agreement shall be the responsibility of and be timely paid by Purchaser. Seller and Purchaser shall cooperate in the timely making of all filings, returns, reports, and forms as may be required in connection therewith.

ARTICLE XI

MISCELLANEOUS

11.1 No Survival of Representations and Warranties. The Parties agree that the representations and warranties contained in this Agreement shall not survive the Closing hereunder and no Person shall have any liability for any breach thereof.

11.2 Expenses. Except as otherwise provided in this Agreement, each of Seller and Purchaser shall bear its own expenses 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.

11.3 Injunctive Relief. Damages at Law may be an inadequate remedy for the breach of any of the covenants, promises, or agreements contained in this Agreement, and, accordingly, either Party 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 a party from any threatened, or from the continuation of any actual, breach of the covenants, promises, or agreements contained in this Agreement. The rights set forth in this Section 11.3 shall be in addition to any other rights a Party may have at Law or in equity pursuant to this Agreement or otherwise.

11.4 Submission to Jurisdiction: Consent to Service of Process.

(a) Without limiting either Party's right to appeal any order of the Bankruptcy Court, (i) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any claims or disputes that may arise or result from or be connected with this Agreement, any breach or default hereunder, or the Transactions, and (ii) any and all proceedings related to the foregoing shall be filed and maintained only in the Bankruptcy Court. The Parties hereby consent to and submit to the jurisdiction and venue of the Bankruptcy Court with respect to any such dispute and shall receive notices at such locations as indicated in Section 11.8 hereof; provided, however, that if the Bankruptcy Case has closed, then the Parties agree to unconditionally and irrevocably submit to the exclusive jurisdiction of the United States District Court for the District of New Jersey and any appellate court thereof for the resolution of any such claim or dispute. The Parties hereby irrevocably waive, to the fullest extent permitted by applicable Law, any objection which they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the Parties agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law.

(b) Each of the Parties hereby consents to process being served by any Party in any suit, action, or proceeding by delivery of a copy thereof in accordance with the provisions of Section 11.8.

11.5 Waiver of Right to Trial by Jury. Each party to this Agreement waives any right to trial by jury in any action, matter or proceeding regarding this Agreement or any provision hereof.

11.6 Entire Agreement: Amendments and Waivers. This Agreement (including the Schedules and Exhibits hereto) represents the entire understanding and agreement between the Parties with respect to the subject matter hereof. This Agreement can be amended, supplemented, or changed, and any provision hereof can 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 either Party 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 Law.

11.7 Governing Law. This Agreement shall be governed by and construed in accordance with the federal bankruptcy law and to the extent pertinent thereto, Laws of the state of New Jersey applicable to contracts made and performed in that state, without regard to that state's Laws on conflict of laws.

11.8 Notices. All notices and other communications under this Agreement shall be in writing and shall be deemed given (i) when delivered personally by hand or via email, (ii) when sent by facsimile (upon written confirmation of transmission), (iii) one (1) Business Day following the day sent by overnight courier (with written confirmation of receipt) or (iv) five (5) Business Days following the date of mailing if delivered by registered or certified mail, return receipt requested, in each case at the following addresses and facsimile numbers (or to such other address or facsimile number as a party may have specified by notice given to the other party pursuant to this provision):

If to Seller, to:

Love Culture Inc.
2423 E. 23rd Street
Los Angeles, California 90058
Attn: Mr. David Griffith
Telephone: 323-583-9900

with copies to:

Lowenstein Sandler LLP
65 Livingston Avenue
Roseland, NJ 07068
Attn: Kenneth A. Rosen
Mary E. Seymour
Telephone: (973) 597-2500

Email: Krosen@lowenstein.com
Email: Mseymour@lowenstein.com

If to Purchaser, to:

Jong H. Kwak
3530 Wilshire Boulevard, Suite 695
Los Angeles, CA 90010
Telephone: (213) 383-1113
Email: jongkwakepa@gmail.com

With copies to:

Weinstein Law Firm
A Professional Corporation
16501 Ventura Boulevard Suite 400
Encino, CA 91436
Attention: David R. Weinstein
Telephone: (747) 233-3653
Email: dweinstein@weinsteinlawfirm.net

11.9 Severability. If any term or other provision of this Agreement is invalid, illegal, or incapable of being enforced by any Law or public policy, then all other terms or provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the Transactions is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the Parties 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 in order that the Transactions are consummated as originally contemplated to the greatest extent possible.

11.10 Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. 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. No assignment of this Agreement or of any rights or obligations hereunder may be made by either Seller or Purchaser (by operation of Law or otherwise) without the prior written consent of the other Party and any attempted assignment without the required consent shall be void. No assignment of any obligations hereunder shall relieve the Parties of any such obligations. Upon any such permitted assignment, the references in this Agreement to Seller or Purchaser shall also apply to any such assignee unless the context otherwise requires.

11.11 Counterparts: Electronic Signature. This Agreement may be executed in any number of counterparts, all of which, taken together, shall constitute one and the same instrument and any of the Parties or signatories hereto may execute this Agreement by signing any such counterpart. The Parties agree that electronic signatures in the form of handwritten signatures on a facsimile transmittal, scanned and digitized images of a handwritten signature

(e.g., scanned document in PDF format), and typed signatures on email transmissions from the Party to be bound, shall have the same force and effect as original manual signatures.

[signature page follows]

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

PURCHASER:

UNITED LC CAPITAL LLC

By: _____
Name: Jong Kwak
Title: Manager

SELLER:

LOVE CULTURE INC.

By:  _____
Name:
Title:

SCHEDULE 2.1(b)(i)

Real Property Leases and Contracts

The Real Property Leases and Contracts on the next page are subject to designation by Purchaser.

SCHEDULE 2.1(b)(ii)

Intellectual Property of Love Culture, Inc. (Seller) included in

Purchased Assets

1. All Intellectual Property owned by or licensed to Seller that is transferrable to Purchaser under any federal or state law that in any way relates to Seller's retail business. This includes, without limitation: all trademarks; trade names; trade styles; patents; copyrights; licenses, whether limited or unlimited; permits; websites; URL's; and "dba's".
2. All Intellectual Property owned by or licensed to Seller that pertains in any way to any Acquired Location that is not included in paragraph 1, above.
3. All software, including licenses, permits and the like, used by Seller at the Warehouse, at any Acquired Location or for the transaction of business or interaction among the Warehouse and Acquired Locations.

SCHEDULE 2.1(b)(iii)

Fixed Assets and Equipment ("FF&E") of Love Culture, Inc. (Seller) included in

Purchased Assets

1. All FF&E located at or in the surrounding vicinity and grounds of the Warehouse.
2. All FF&E located at or in the surrounding vicinity and grounds of any Acquired Location.
3. All office equipment, including desks, chairs, computers, cabinets, tables, racks, removable lighting and tenant improvements, cash registers, purchase processing terminals, remote connection hardware and other computer hardware located at or in the surrounding vicinity and grounds of the Warehouse or any Acquired Location.

SCHEDULE 2.8(a)

Designated Ecommerce Assets

1. Contracts

1(a). Master Subscription and Services Agreement, and Client Services Statement of Work for Assessment and Site Readiness, dated February 28, 2013, by and between Demandware and Love Culture Inc. (software license)

1(b). License Subscription & Services Contract dated September 26, 2013, by and between Delivra and Love Culture Inc. (software license)

1(c). Services Agreement dated November 12, 2013 by and between Borderfree, LLC and Love Culture Inc. (software license)

2. FF&E

All office equipment, including desks, chairs, computers, cabinets, tables, racks, purchase processing terminals, remote connection hardware and other computer hardware primarily used by Seller in connection with its online commerce business and related assets, including, but not limited to, the domain name www.loveculture.com and the website and commercial and intellectual property rights associated with said domain name.

3. Intellectual Property

3(a). Trademarks:

Registered U.S. Trademarks

<u>Trademark</u>	<u>Registration Number</u>	<u>Registration Date</u>
LOVE CULTURE	3633316	06/02/2009
LOVE CULTURE	4536544	05/27/2014
LOVE CULTURE + design (splatter fleur-de-lis)	4536553	05/27/2014
LOVE CULTURE PLUS +	4510351	04/08/2014
BOUTIQUE CULTURE	4511761	04/08/2014

U.S. Trademark Applications Pending

<u>Trademark</u>	<u>Serial Number</u>	<u>Filing Date</u>
LOVE CULTURE + design (fleur-de-lis)	86045811	08/22/2013
[Fleur-de-lis design only]	86046409	08/23/2013
[Splatter fleur-de-lis design only]	86046678	08/23/2013

Trademarks and Slogans Used. No Application Pending

WHEN GIRLS TAKE OVER
PLAY IT COOL
HIP TRENDY STYLISH & ALWAYS FUN
LOV & ME
LOVE & QUEEN
LOV' ME
#LOVECULTUREXOXO

Foreign Trademark Registrations and Pending Applications

<u>Trademark</u>	<u>Related US Registration</u>	<u>Jurisdiction</u>
LOVE CULTURE	3633316; 4536544	Philippines Kingdom of Saudi Arabia United Arab Emirates Paraguay Argentina Uruguay Ecuador Brazil
LOVE CULTURE	3633316; 4536544	Nicaragua Bolivia Barbados Belize Honduras Peru

3(b). Domain Names:

<u>Domain Name</u>	<u>Account Number</u>	<u>Management</u>
loveculture.com	N-0000000234970	Namescout.com
loveculture.xxx	982890	CSC Global
loveculture.cn	31064431	GoDaddy.com

3(c). Internet Accounts:

<u>Internet Site</u>	<u>URL</u>
Facebook	http://www.facebook.com/urloveculture
YouTube	http://www.youtube.com/urloveculture
Twitter	http://twitter.com/urloveculture
Pinterest	http://pinterest.com/urloveculture/
Tumblr	http://officialloveculture.tumblr.com/
Google +	https://plus.google.com/+loveculture/posts

Instagram	http://instagram.com/lovecultureofficial
Polyvore	http://urloveculture.polyvore.com/
Fancy	http://fancy.com/LoveCulture
Lyst	http://www.lyst.com/loveculture/
Wanelo	http://wanelo.com/urloveculture
Socialbliss	http://www.socialbliss.com/loveculture
Chictopia	http://www.chictopia.com/urloveCulture
Lookbook	http://lookbook.nu/urloveculture
Chicisimo	http://chicisimo.com/fashion/fashionista/loveculture
Pose	https://secure.pose.com/u/loveculture/poses
Google AdWords	https://google.com/adwords
Google Analytics	https://google.com/analytics
Google	https://google.com/

3(d) Other Intellectual Property Assets:

Product Designs

All designs, drawings, sketches, notebooks, patterns, photographs, and other indicia of past and current products sold by Love Culture Inc. and for proposed products in all stages of conceptual design and development.

Copyrights

All registered and unregistered copyrights in product designs, catalogs, advertising, and similar works of authorship created by or for Love Culture Inc.