



Order Filed on July 13, 2020
by Clerk
U.S. Bankruptcy Court
District of New Jersey

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

Caption in Compliance with D.N.J. LBR 9004-1(b)
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*Proposed Attorneys for Debtors
and Debtors in Possession*

In re:

SLT HOLDCO, INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 20-18368 (MBK)

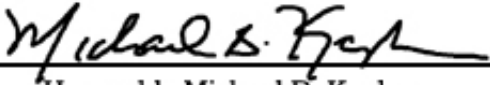
Joint Administration Requested

Hearing Date and Time:
July 10, 2020 at 12:00 p.m. (ET)

ORDER (A) AUTHORIZING AND APPROVING BIDDING PROCEDURES IN CONNECTION WITH THE SALE OF CERTAIN OF THE DEBTORS' ASSETS; (B) AUTHORIZING AND APPROVING BID PROTECTIONS; (C) APPROVING PROCEDURES FOR THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES; (D) SCHEDULING A SALE HEARING; (E) APPROVING THE FORM AND MANNER OF NOTICE THEREOF; AND (F) GRANTING RELATED RELIEF

The relief set forth on the following pages, numbered two (2) through twenty-four (24), is hereby **ORDERED**.

DATED: July 13, 2020


Honorable Michael B. Kaplan
United States Bankruptcy Judge

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Upon the motion (the “**Motion**”)² of the above-captioned debtors and debtors-in-possession (collectively, the “**Debtors**”), seeking entry of an order (this “**Order**”), pursuant to sections 105, 363, 365, and 503 of title 11 of the United States Code (the “**Bankruptcy Code**”), Rules 2002, 6004, and 6006 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and Rules 6004-1, 6004-2, and 6004-3 of the Local Rules of the United States Bankruptcy Court for the District of New Jersey (the “**Local Rules**”): (i) (a) authorizing and approving certain bidding procedures (as attached hereto as **Exhibit 1**, the “**Bidding Procedures**”) in connection with the sale (the “**Sale**”) of certain of their assets (collectively, the “**Purchased Assets**”), pursuant to an asset purchase agreement (together with the schedules thereto and related documents, and as may be amended, supplemented or otherwise modified from time to time, the “**Stalking Horse Agreement**”), by and among the Debtors, as sellers (collectively, the “**Sellers**”) and one or more affiliates or designees of CF SLTD Holdings LLC, the prepetition secured lenders to the Debtors under that certain Term Loan and Security Agreement, dated as of July 28, 2011 (collectively, the “**Buyer**” or “**Stalking Horse Bidder**”), the material terms of which are attached to the Motion as **Exhibit B** (the “**Stalking Horse Term Sheet**”), subject to the outcome of an auction (the “**Auction**”) if the Sellers receive one or more

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Motion or the Bidding Procedures attached hereto as **Exhibit 1**, as applicable.

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timely and acceptable Qualified Bids (as defined in the Bidding Procedures); (b) authorizing and approving the Break-Up Fee and Expense Reimbursement (each as defined in the Bidding Procedures, and together, the “**Bid Protections**”) for the Stalking Horse Bidder; (c) scheduling the Auction and a hearing (the “**Sale Hearing**”) to consider approval of the Sale; (d) approving procedures related to the assumption and assignment of certain of the Sellers’ executory contracts and unexpired leases (the “**Assumption and Assignment Procedures**”); (e) approving the form and manner of notice thereof; and (f) granting related relief (collectively, the “**Bidding Procedures Relief**”); and (ii) (a) authorizing the Sale of the Purchased Assets free and clear of Liens and Claims and Interests (each as defined in the Sale Order), except as provided in the Stalking Horse Agreement or other Proposed Asset Purchase Agreement of the Successful Bidder (each as defined in the Bidding Procedures); (b) approving the assumption and assignment of certain of the Sellers’ executory contracts (each, an “**Executory Contract**”) and unexpired leases (each, an “**Unexpired Lease**”) related thereto (any such Executory Contract or Unexpired Lease designated by the Successful Bidder to be assumed and assigned pursuant to the Sale, a “**Transferred Contract**” and collectively, the “**Transferred Contracts**”); and (c) granting related relief; and upon the First Day Declaration and the Hagood Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and this Court having the power to enter a final order consistent with Article III of the United States

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Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and heard the statements in support of the relief requested therein at a hearing before this Court; and this Court having determined that the legal and factual bases set forth in the Motion and at the hearing establish just cause for the relief granted herein; and this Court having determined that the relief requested by the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and upon all of the proceedings in these chapter 11 cases had before this Court; and after due deliberation and sufficient cause appearing therefor, it is hereby

FOUND, CONCLUDED, AND DETERMINED THAT:

A. The Debtors have demonstrated good and sufficient reasons for, and the best interests of their estates, creditors, and other parties in interest will be served by, this Court granting, to the extent provided herein, the relief requested in the Motion relating to the bidding process, including approval of (1) the Bidding Procedures, (2) the Bid Protections, (3) the Assumption and Assignment Procedures, and (4) the forms of the Cure Notice (as defined

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below) and Sale Notice (as defined below) attached to the Motion as Exhibit C and Exhibit D, respectively.

B. Good and sufficient business reasons exist for the Court to authorize the Debtors to enter into the Stalking Horse Agreement, so long as it is consistent with the Stalking Horse Term Sheet, in accordance with the terms of this Order and the Bidding Procedures.

C. The Debtors have demonstrated good and sufficient reasons for, and the best interests of their estates will be served by, this Court scheduling the Sale Hearing to consider granting the other relief requested in the Motion, including approval of the Sale and the transfer of the Purchased Assets (and the assumption and assignment of the Transferred Contracts) to the Successful Bidder free and clear of all Liens, Claims, and Interests, except those expressly assumed as set forth in the Stalking Horse Agreement, so long as it is consistent with the Stalking Horse Term Sheet, pursuant to sections 363(f) and 365 of the Bankruptcy Code.

D. The Bid Protections as set forth in Stalking Horse Term Sheet to be paid under the circumstances described therein to the Stalking Horse Bidder are: (1) an actual and necessary cost of preserving the value of the respective Debtors' estates within the meaning of section 503(b) of the Bankruptcy Code; (2) commensurate to the real and substantial benefits conferred upon the Debtors' estates by the Stalking Horse Bidder; and (3) reasonable and appropriate in light of the size and nature of the proposed Sale and comparable transactions, the commitments

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and accommodations of the Stalking Horse Bidder that have been made for the benefit of the Debtors' estates, and the efforts that have been and will be expended by the Stalking Horse Bidder.

E. The Bid Protections are the product of negotiations between the Debtors and the Stalking Horse Bidder conducted in good faith and at arm's length, and the Stalking Horse Term Sheet (including the Bid Protections) is the culmination of a process undertaken by the Debtors and their professionals to negotiate a transaction with a bidder who was prepared to pay the highest or otherwise best purchase price for the Purchased Assets to maximize the value of the Debtors' estates.

F. Moreover, the Bid Protections are an essential and material inducement and express condition of the Stalking Horse Bidder's entry into, and continuing obligations under, the Stalking Horse Term Sheet and the impending Stalking Horse Agreement. Unless it is assured that the Bid Protections will be available, the Stalking Horse Bidder is unwilling to remain obligated to consummate the Sale or otherwise be bound under the Stalking Horse Term Sheet and impending Stalking Horse Agreement (including the Stalking Horse Bidder's obligation to maintain its committed offer while such offer is subject to higher or otherwise better offers as contemplated by the Bidding Procedures). The Bid Protections have induced the Stalking Horse Bidder to submit a bid that will serve as a minimum or floor bid for the

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Purchased Assets on which the Debtors, their creditors, and other bidders can rely, and which encourages and facilitates the Auction process. The Stalking Horse Bidder has thus provided a material benefit to the Debtors, their estates, and creditors by increasing the likelihood that the best possible purchase price for the Purchased Assets will be realized. Accordingly, the Bid Protections are fair, reasonable, and appropriate, and necessary to facilitate a competitive, value-maximizing Sale for the benefit of the Debtors' estates.

G. The Stalking Horse Bidder is not an "insider" or "affiliate" of any of the Debtors, as those terms are defined in section 101 of the Bankruptcy Code, and no common identity of directors, officers or controlling stockholders exists among the Stalking Horse Bidder and the Debtors. The Stalking Horse Bidder and its counsel and advisors have acted in "good faith" within the meaning of section 363(m) of the Bankruptcy Code in connection with the Stalking Horse Bidder's negotiations of the Bid Protections and the Bidding Procedures and entry into the Stalking Horse Term Sheet.

H. The Bidding Procedures are fair, reasonable, and appropriate and are designed to maximize the recovery from the Sale of the Purchased Assets.

I. The process for submitting Qualified Bids is fair, reasonable, and appropriate and is designed to maximize recoveries for the benefit of the Debtors' estates, creditors, and parties in interest.

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J. Good and sufficient notice of the relief sought in the Motion has been provided under the circumstances, and no other or further notice is required except as set forth in the Bidding Procedures and the Assumption and Assignment Procedures. A reasonable opportunity to object or be heard regarding the relief requested in the Motion has been afforded to all parties in interest.

K. The Sale Notice, the Cure Notice, and the Supplemental Cure Notice (each as defined below) are appropriate and reasonably calculated to provide all interested parties with timely and proper notice of this Order, the Bidding Procedures, the Sale, the Sale Hearing, and any and all objection deadlines related thereto, including with respect to cure amounts and the assumption and assignment of Executory Contracts and Unexpired Leases, and no other or further notice is required of the foregoing.

L. 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 foregoing 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.

IT IS HEREBY ORDERED THAT:

1. The Motion and Bidding Procedures Relief is GRANTED as set forth herein.

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2. All objections or reservations of rights to the Motion or the Bidding Procedures Relief requested therein that have not been withdrawn, waived, or settled are hereby overruled.

I Sales Dates and Deadlines

3. The Debtors are authorized to proceed with the Sale in accordance with the Bidding Procedures and are authorized to take any and all actions necessary or appropriate to implement the Bidding Procedures (subject to the terms thereof) in accordance with the following dates and deadlines:

Sale Dates and Deadlines	
Deadline to Serve Sale Notice and Cure Notice	No later than three (3) business days after entry of the Bidding Procedures Order
Deadline for Stalking Horse Bidder to Submit Adequate Assurance Information to Debtors	July 24, 2020
Bid Deadline	August 3, 2020 at 4:00 p.m. (ET)
Sale Objection Deadline/Cure Objection Deadline/Assignment Objection Deadline/Adequate Assurance Objection Deadline with Respect to Stalking Horse Bidder	August 3, 2020 at 4:00 p.m. (ET)
Deadline to Notify Qualified Bidders and Select Starting Bid	August 4, 2020
Auction (if required)	August 5, 2020 at 10:00 a.m. (ET)
Notice of Successful Bidder to be Filed	August 6, 2020 at 4:00 p.m. (ET)
Deadline for Reply Pleadings in Support of Sale	August 6, 2020
Supplemental Adequate Assurance Objection Deadline; Deadline to object to (i) conduct of the Auction, and (ii) the proposed Sale Transaction if the Successful Bidder is not the Stalking Horse Bidder.	To be presented at Sale Hearing
Sale Hearing	August 10, 2020 at 10:00 a.m. (ET)

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II The Bidding Procedures

4. The Bidding Procedures attached hereto as **Exhibit 1** are approved and shall govern all bids and bid proceedings relating to the sale of the Purchased Assets.

5. If the Sellers do not receive a Qualified Bid with respect to the Purchased Assets other than the Stalking Horse Bid (as defined in the Bidding Procedures) in accordance with the Bidding Procedures, the Sellers will not hold the Auction and the Stalking Horse Bidder shall be deemed the Successful Bidder with respect to the Purchased Assets in accordance with the Bidding Procedures. Only if the Sellers receive one or more Qualified Bids with respect to the Purchased Assets in addition to the Stalking Horse Bid in accordance with the Bidding Procedures, the Sellers will conduct the Auction for the Purchased Assets.

6. In the event of a competing Qualified Bid with respect to the Purchased Assets, the Stalking Horse Bidder shall be entitled, but not obligated, to submit Subsequent Bids (as defined in the Bidding Procedures) and shall be entitled, but not obligated, in any and all such Subsequent Bids to credit bid the full amount of the Bid Protections in lieu of cash, and for purposes of evaluating the Subsequent Bid, the full amount of such Bid Protections shall be treated as equal to cash in the same amount.

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III Stalking Horse Bidder, Bid Protections, and Stalking Horse Agreement

7. The Debtors' entry into the Stalking Horse Agreement, so long as it is consistent with the Stalking Horse Term Sheet, is authorized and approved, and shall be deemed a Qualified Bid, subject to higher and better offers at the Auction regarding the Purchased Assets in accordance with the Bidding Procedures.

8. The Debtors are authorized to perform all obligations of the Debtors set forth in the Stalking Horse Agreement, so long as it is consistent with the Stalking Horse Term Sheet, that are intended to be performed prior to the Sale Hearing and prior to the entry of the Sale Order, subject to the terms of the Bidding Procedures.

9. The Bid Protections for the Stalking Horse Bidder are approved in their entirety. The Debtors are authorized to pay any amounts that may become due to the Stalking Horse Bidder on account of the Bid Protections on the terms set forth in the Stalking Horse Term Sheet and the impending Stalking Horse Agreement. The Stalking Horse Bidder shall be granted an allowed administrative expense claim under sections 503(b)(1) and 507(a)(2) of the Bankruptcy Code in an amount equal to the Break-Up Fee and Expense Reimbursement to the extent they become due in accordance with the terms of the Stalking Horse Agreement, which (if triggered) shall be payable in accordance with the terms of the Stalking Horse Agreement, without further order of or proceedings before this Court. Nothing in this Order shall be construed as authorizing

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and directing the payment of any Bid Protections to the Stalking Horse Bidder in the event the Stalking Horse Bidder becomes the Successful Bidder with respect to the Purchased Assets.

10. No person or entity, other than the Stalking Horse Bidder, shall be entitled to any expense reimbursement, break-up fee, "topping," or other similar fee or payment.

11. Any deposit provided by the Stalking Horse Bidder and all other Qualified Bidders shall be held in escrow by the Debtors or their agent, and shall not become property of the Debtors' bankruptcy estates unless and until released from escrow to the Debtors pursuant to the terms of the applicable escrow agreement or order of this Court.

12. The Stalking Horse Bidder shall not be required to seek or obtain relief from the automatic stay under section 362 of the Bankruptcy Code to take any action necessary or required under the Stalking Horse Term Sheet, Stalking Horse Agreement or any other sale-related document. The automatic stay imposed by section 362 of the Bankruptcy Code is modified solely to the extent necessary to implement the preceding sentence, *provided, however*, that this Court shall retain exclusive jurisdiction over any and all disputes with respect thereto.

13. The Stalking Horse Bidder shall provide Adequate Assurance Information (as defined in the Bidding Procedures) to the Debtors on or before July 24, 2020. Upon request by any affected landlord or contract counterparty, the Debtors shall promptly provide Adequate

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Assurance Information with respect to the Stalking Horse Bidder to such affected landlord or contract counterparty.

IV Sale Hearing

14. The Sale Hearing shall be held on **August 10, 2020 at 10:00 a.m. (ET)** before this Court, the United States Bankruptcy Court for the District of New Jersey, Clarkson S. Fisher U.S. Courthouse, 402 East State Street, Courtroom #8, Trenton, NJ 08608. Any objections to the Sale (a **“Sale Objection”**) must (a) be in writing, (b) state the basis of such objection with specificity, (c) conform to the Bankruptcy Rules and the Local Rules and (d) be filed with the Bankruptcy Court and served upon the Notice Parties (as defined below) so as to be received not later than **4:00 p.m. (ET) on August 3, 2020** (the **“Sale Objection Deadline”**). Any party failing to timely file a Sale Objection by the Sale Objection Deadline shall be forever barred from objecting and shall be deemed to have consented to the Sale, including the transfer of the Debtors' right, title and interest in, to, and under the Purchased Assets free and clear of any and all Liens, Claims and Interests (each as defined in the Sale Order) in accordance with the Stalking Horse Term Sheet, Stalking Horse Agreement, or other definitive agreement with respect to the Sale.

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15. The Sale Hearing may be adjourned by the Debtors from time to time without further notice to creditors or parties in interest other than by announcement of the adjournment in open court on the date scheduled for the Sale Hearing.

V Notice Procedures

16. The *Notice of Proposed Sale, Auction Date, Objection Deadline and Sale Hearing*, in the form substantially similar to that attached to the Motion as **Exhibit D** (the “**Sale Notice**”), is approved.

17. The Debtors shall, within three (3) business days after entry of this Order, serve a copy of the Sale Notice by first class mail, postage prepaid to: (i) the Office of the United States Trustee, One Newark Center, 1085 Raymond Boulevard, Suite 2100, Newark, NJ 07102, Attn: Jeffrey Sponder, Esq. and Lauren Bielskie, Esq.; (ii) the holders of the twenty (20) largest unsecured claims against the Debtors (on a consolidated basis); (iii) counsel for the Prepetition ABL Agent: Riemer & Braunstein LLP, Times Square Tower, Seven Times Square, Suite 2506, New York, NY 10036, Attn: Donald E. Rothman, Esq. and Anthony B. Stumbo, Esq.; (iv) counsel for the Stalking Horse Bidder, DIP Lender, and Prepetition Term Agent: Proskauer Rose LLP, One International Place, Boston, MA 02110, Attn: Charles A. Dale III, Esq.; (v) the Internal Revenue Service, (vi) the Securities and Exchange Commission, (vii) the United States Attorney's Office for the District of New Jersey, (viii) all applicable state and local taxing

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authorities; (ix) all persons known by the Debtors to have expressed an interest to the Debtors in a transaction with respect to the Purchased Assets during the previous six months; (x) all entities known by the Debtors that may have a lien, claim, encumbrance, or other interest in the Purchased Assets (for which identifying information and addresses are available to the Debtors); (xi) all non-Debtor parties to the Executory Contracts and Unexpired Leases; (xii) all of the Debtors' known creditors; and (xiii) all parties that have requested to receive notice in these cases under Bankruptcy Rule 2002.

18. Additionally, within seven (7) days after entry of this Order, or as soon as reasonably practicable thereafter, the Debtors shall publish a notice, setting forth the information contained in the Sale Notice, on one occasion, in either *The New York Times*, *Wall Street Journal* or *USA Today*. Such publication notice shall be deemed sufficient and proper notice of the Sale to any other interested parties whose identities are unknown to the Debtors.

VI Assumption and Assignment Procedures

19. The Notice of Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection with Proposed Sale of Certain of the Debtors' Assets, in the form substantially similar to that attached to the Motion as **Exhibit C** (the "**Cure Notice**"), is approved.

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20. The Debtors shall, within three (3) business days of the entry of this Order, serve the Cure Notice upon each non-Debtor counterparty³ to each Executory Contract or Unexpired Lease to which a Seller is a party that may be assumed and assigned to the Stalking Horse Bidder, regardless of whether, at that time, the Executory Contract or Unexpired Lease is listed as being proposed to be assumed and assigned to the Stalking Horse Bidder. The Cure Notice shall state the date, time and place of the Sale Hearing and the date by which any objection to the assumption and assignment of such Executory Contract or Unexpired Lease must be filed and served. The Cure Notice shall also identify the amounts, if any, that the Debtors believe are owed to each counterparty to an Executory Contract or Unexpired Lease to cure any defaults that exist under such contract or lease (such amounts, the “**Cure Costs**”) pursuant to section 365 of the Bankruptcy Code. The Cure Notice does not constitute an admission that an Executory Contract or Unexpired Lease is in fact an executory contract or unexpired lease for the purposes of section 365 of the Bankruptcy Code, and the Debtors reserve any and all rights with respect to the Executory Contracts and Unexpired Leases. The inclusion of an Executory Contract or Unexpired Lease on the Cure Notice shall not obligate the Successful Bidder to take assignment of such Executory Contract or Unexpired Lease. Only those contracts that constitute

³ The Cure Notice served upon each non-Debtor counterparty may, in the Debtors' discretion, include an individualized Exhibit 1 that lists only the recipient counterparty's Executory Contract(s) and/or Unexpired Lease(s).

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(a) Transferred Contracts pursuant to the Stalking Horse Agreement or (b) if the Successful Bidder is not the Stalking Horse Bidder, Transferred Contracts identified in the Successful Bidder's Proposed Asset Purchase Agreement, shall be assumed, assigned and sold to such Successful Bidder.

21. If any counterparty to an Executory Contract or Unexpired Lease either objects to any proposed Cure Costs set forth in the Cure Notice or objects to any Supplemental Cure Notice, then such counterparty must (a) file with the Court a written objection (a "**Cure Costs Objection**") and (b) serve such Cure Costs Objection, so as to be received no later than **August 3, 2020 at 4:00 p.m. (ET)** or such other date and time specified in a Supplemental Cure Notice (the "**Cure Objection Deadline**"), on: (i) Sur La Table, Inc., 6100 4th Avenue South, Suite 500, Seattle, Washington 98108 (Attn: Jason Goldberger, CEO); (ii) proposed counsel to the Debtors, Cole Schotz P.C., 25 Main Street, Hackensack, New Jersey (Attn: Michael D. Sirota and David M. Bass); (iii) the Debtors' proposed financial advisor, SOLIC Capital Advisors, LLC and SOLIC Capital LLC, 1603 Orrington Avenue, Suite 1600| Evanston, Illinois 60201 (Attn: Edward R. Casas) and 3284 Northside Parkway, Suite 450, Atlanta, Georgia 30327 (Attn: Gregory F. Hagood); (iv) counsel for the Stalking Horse Bidder, DIP Lender, and Prepetition Term Agent, Proskauer Rose LLP, One International Place, Boston, MA 02110, (Attn: Charles A. Dale III); (v) counsel for the Prepetition ABL Agent: Riemer & Braunstein LLP, Times

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Square Tower, Seven Times Square, Suite 2506, New York, NY 10036 (Attn: Donald E. Rothman, Esq. and Anthony B. Stumbo, Esq.); (vi) the Office of the United States Trustee, One Newark Center, 1085 Raymond Boulevard, Suite 2100, Newark, NJ 07102 (Attn: Jeffrey Sponder, Esq. and Lauren Bielskie, Esq.); and (vii) counsel to any statutory committee appointed in these chapter 11 cases (collectively, the “**Notice Parties**”).

22. If, at any time and from time to time after the entry of this Order, the Debtors or the Stalking Horse Bidder or other Successful Bidder identify additional Executory Contracts or Unexpired Leases to be assumed and assigned as Transferred Contracts in accordance with the terms of the Stalking Horse Agreement or Successful Bidder’s Proposed Asset Purchase Agreement, the Debtors shall serve a supplemental Cure Notice (each, a “**Supplemental Cure Notice**”) by facsimile, electronic transmission, hand delivery or overnight mail on the applicable non-debtor counterparty and its counsel (if known) no later than ten (10) days before the closing (“**Closing**”) of the Sale, or, if such Executory Contract or Unexpired Lease is identified less than ten (10) days prior to the Closing, by the date set forth on the Supplemental Cure Notice. Each Supplemental Cure Notice shall: (a) state the date, time and place of the Sale Hearing (or later hearing, if applicable); (b) state the date by which any objection to the assumption and assignment of such Transferred Contract must be filed and served; and (c) identify the proposed Cure Costs, if any.

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23. Each Cure Costs Objection must set forth with specificity each and every asserted default in any Executory Contract or Unexpired Lease and the monetary cure amount asserted by such counterparty to the extent it differs from the Cure Costs, if any, specified by the Debtors in the Cure Notice or Supplemental Cure Notice, as applicable.

24. In the event that the Debtors and the non-debtor party cannot resolve a Cure Costs Objection, disputed Cure Costs shall not be paid until the resolution of any such disputes by the Court or mutual agreement of the Debtors, with the consent of the Stalking Horse Bidder to the extent required in the Stalking Horse Agreement, and the objecting party. Any unresolved Cure Costs Objections where the applicable Cure Objection Deadline is prior to the Sale Hearing shall be resolved by the Court at the Sale Hearing (or at such earlier date as any party may request and the Court shall permit). Any unresolved Cure Costs Objections where the applicable Cure Objection Deadline is after the Sale Hearing shall be resolved as soon as reasonably practicable after the Cure Objection is filed. Any resolution of an objection to a Cure Cost occurring after the Sale Hearing shall nevertheless remain subject to the rights, obligations, and duties of the Debtors and the Stalking Horse Bidder under the Stalking Horse Term Sheet and impending Stalking Horse Agreement.

25. Any counterparty to an Executory Contract or Unexpired Lease that fails to timely file and serve a Cure Costs Objection shall be forever barred from asserting that Cure Costs are

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owed in an amount in excess of that set forth in the Cure Notice or Supplemental Cure Notice. If no Cure Costs Objection is timely filed and served by the Cure Objection Deadline with respect to a Transferred Contract, the Cure Costs identified in the Cure Notice or Supplemental Cure Notice, as applicable, with respect to the applicable Executory Contract(s) and/or Unexpired Lease(s) shall be the only amounts necessary to be paid to cure all monetary defaults pursuant to section 365(b) of the Bankruptcy Code under such Transferred Contract(s), to the extent the Stalking Horse Bidder (or other Successful Bidder) ultimately decides to have the applicable Transferred Contract(s) assumed and assigned to it. Any party failing to timely file a Cure Costs Objection shall be deemed to have consented and forever barred from objecting to the Cure Costs and from asserting any additional cure or other amounts against the Debtors, their estates or the Successful Bidder, notwithstanding anything to the contrary in any Executory Contract or Unexpired Lease, or any other document. To the extent a Cure Costs Objection is resolved or determined unfavorably to the applicable Debtor, such Debtor may, with the prior written consent of the Successful Bidder, seek to instead reject the applicable Executory Contract or Unexpired Lease after such determination.

26. If any counterparty to an Executory Contract or Unexpired Lease objects to the assumption and assignment of such Executory Contract or Unexpired Lease to the Stalking Horse Bidder for any reason (including with respect to adequate assurance of future

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performance) other than the amount of the proposed Cure Costs (an “**Assignment Objection**”), such counterparty must file and serve such Assignment Objection so as to be received by the Notice Parties by no later than **August 3, 2020 at 4:00 p.m. (ET)** (the “**Assignment Objection Deadline**”). The Court shall make any and all determinations concerning an Assignment Objection, including adequate assurance of future performance under the Transferred Contracts pursuant to sections 365(b) and (f)(2) of the Bankruptcy Code, at the Sale Hearing (or such later hearing as may be requested by the Debtors).

27. If no Assignment Objection is timely filed and served by the Assignment Objection Deadline, the counterparty to an Executory Contract or Unexpired Lease shall be deemed to have consented (including deemed consent under section 365(c)(1) of the Bankruptcy Code), to the assumption, assignment and sale of the Executory Contract or Unexpired Lease to the Successful Bidder if such Executory Contract or Unexpired Lease is elected by the Successful Bidder as a Transferred Contract and shall be forever barred from asserting any objection with regard to such assumption, assignment and sale; *provided, however*, in the event that the Successful Bidder is not the Stalking Horse Bidder, the non-debtor parties to the Executory Contracts and Unexpired Leases to be assumed and assigned to such Successful Bidder may object to the assumption, assignment and/or sale of their Executory Contracts and Unexpired Leases to such Successful Bidder at the Sale Hearing; *provided further, however*, any

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such objection may relate solely to adequate assurance of future performance by such Successful Bidder pursuant to sections 365(b) and (f)(2) of the Bankruptcy Code.

28. The Stalking Horse Bidder may add or remove any Transferred Contract to be assumed by the Debtors and assigned to the Stalking Horse Bidder at any time prior to the Sale Hearing in accordance with the terms of the Stalking Horse Agreement, so long as it is consistent with the Stalking Horse Term Sheet. Under such circumstances, the Debtors shall file a Supplemental Cure Notice solely with respect to such additional Transferred Contracts and any Cure Objections or Assignment Objections will be subject to the Assumption and Assignment Procedures described herein.

29. In addition, if the Stalking Horse Bidder is the Successful Bidder it will have the right for up to thirty (30) days following the closing of the Sale to designate, add, or remove Executory Contracts or Unexpired Leases for Specified Stores (as defined in the Stalking Horse Term Sheet).

30. Nothing herein shall be deemed to compel the assumption and assignment of any Transferred Contract on or before the "Designation Deadline," as such term is defined in the Stalking Horse Term Sheet or the Stalking Horse Agreement, or such other comparable provision in an applicable agreement with a Successful Bidder other than the Stalking Horse Bidder.

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31. Pursuant to section 365(k) of the Bankruptcy Code, the Debtors and the Debtors' estates shall be relieved of all liability accruing or arising after the assumption and assignment of the Transferred Contracts.

VII Miscellaneous

32. The Debtors are authorized to take such actions as may be necessary or appropriate to implement and effectuate the terms of this Order, including, but not limited to, expending such funds or taking such actions as may be necessary or appropriate to comply with the Bidding Procedures.

33. In the event of any inconsistency between the provisions of this Order and any Exhibit referenced herein or in the Motion, the provisions of this Order shall control.

34. The Court shall retain exclusive jurisdiction to interpret, implement, and enforce the terms and provisions of this Order, the Bidding Procedures, the Stalking Horse Term Sheet, and the Stalking Horse Agreement and decide any issues or disputes concerning this Order, the Bidding Procedures, the Stalking Horse Term Sheet, and the Stalking Horse Agreement, and the rights and duties of the parties hereunder and/or thereunder, including the interpretation of the terms, conditions, and provisions hereof and/or thereof.

35. All persons and entities that participate in the bidding process or the Auction shall be deemed to have knowingly and voluntarily submitted to the exclusive jurisdiction of this

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Court with respect to all matters related to the terms and conditions of the transfer of the Purchased Assets, the Auction, and any Sale.

36. Notwithstanding the possible applicability of Bankruptcy Rules 6004(h) or 6006(d), or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon entry.

EXHIBIT 1

Bidding Procedures

BIDDING PROCEDURES

By the Motion dated July 9, 2020, SLT Holdco, Inc. and its wholly owned subsidiary, Sur La Table, Inc., as debtors and debtors-in-possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”) sought approval of, among other things, the procedures through which they will determine the highest or otherwise best price for the sale of certain of their assets (the “**Acquired Assets**”) described in an Asset Purchase Agreement (the “**Stalking Horse Agreement**”) by and among one or more affiliates or designees of CF SLTD Holdings LLC, the prepetition secured lenders to the Debtors under that certain Term Loan and Security Agreement, dated as of July 28, 2011 (collectively, the “**Stalking Horse Bidder**”) and certain other co-investors and (ii) the Debtors, as sellers.

On July __, 2020, the United States Bankruptcy Court for the District of New Jersey (the “**Bankruptcy Court**”) entered an order (the “**Bidding Procedures Order**”), which, among other things, authorized the Debtors to determine the highest or otherwise best price for the Acquired Assets through the process and procedures set forth below (the “**Bidding Procedures**”). Unless expressly indicated, the following Bidding Procedures apply to all bidders regardless of the phase of the Auction which the bidder intends to participate.

Access to Diligence Materials

To participate in the bidding process and to receive access to due diligence (the “**Diligence Materials**”), a party must submit to the Debtors an executed confidentiality agreement in the form and substance satisfactory to the Debtors together with evidence demonstrating the party’s financial capability to close a transaction involving the Acquired Assets (a “**Sale Transaction**”) as determined by the Debtors, in consultation with the Consultation Parties. The “**Consultation Parties**” shall be the Prepetition ABL Agent and counsel to any statutory committee appointed in these chapter 11 cases (the “**Committee**”).

A party who qualifies for access to Diligence Materials shall be an “**Interested Party**.” All due diligence requests must be directed to the Debtors.

For any Interested Party who is a competitor of the Debtors or is affiliated with any competitor of the Debtors, the Debtors reserve the right to withhold any Diligence Materials that the Debtors, in their sole discretion, determine are business-sensitive or otherwise not appropriate for disclosure to such Interested Party.

No due diligence will continue after the Bid Deadline (defined below). The Debtors shall provide the Stalking Horse Bidder with access to all material due diligence materials, management presentations, on-site inspections, and other information provided to any Interested Party that were not previously made available to the Stalking Horse Bidder as soon as reasonably practicable and in no event later than three (3) days after the date the Debtors made such information available to any Interested Party. Neither the Debtors nor any of their respective representatives will be obligated to furnish any information relating to the Assets to any person other than to Interested Parties. The Debtors make no representations or warranty as to the information to be provided through this due diligence process or otherwise, except to the extent

set forth in the Stalking Horse Agreement or in any other definitive agreement a Successful Bidder executed and delivered to the Debtors.

Bid Qualification Process

To be eligible to participate in the Auction (defined below), each offer, solicitation or proposal (each, a “**Bid**”), and each party submitting such a Bid (each, a “**Bidder**”), must be determined by the Debtors (in consultation with the Consultation Parties) to satisfy each of the following conditions:

- (a) In writing.
- (b) Good Faith Deposit: Each Bid (other than the Stalking Horse Agreement) must be accompanied by a cash deposit in the amount equal to the greater of ten percent (10%) of the cash consideration of the Bid and \$4,000,000, which shall be held in a segregated account identified and established by the Debtors (the “**Good Faith Deposit**”).

Same or Better Terms: The Bid must be on terms that are better than the terms of the Stalking Horse Agreement, as determined by the Debtors (in consultation with the Consultation Parties) and the Bid must identify which assets the Bidder intends to purchase and include fully executed transaction documents. A Bid shall include the Bidder’s binding definitive purchase agreement and a copy of such agreement marked against the Stalking Horse Agreement to show all changes requested or proposed by the Bidder. A Bid will not be considered qualified for the Auction if (i) such Bid contains additional material representations and warranties, covenants, closing conditions, termination rights other than as may be included in the Stalking Horse Agreement (it being agreed and understood that such Bid shall modify the terms of the Stalking Horse Agreement as needed to comply in all respects with the Bidding Procedures Order (including removing any termination rights in conflict with the Bidding Procedures Order) and will remove provisions that apply only to the Stalking Horse Bidder as the stalking horse bidder (such as the Break-Up-Fee and Expense Reimbursement); (ii) such Bid is not received by the Debtors in writing on or prior to the Bid Deadline, and (iii) such Bid does not contain evidence that the Person submitting it has received unconditional debt and/or equity funding commitments (or has unrestricted and fully available cash) sufficient in the aggregate to finance the purchase contemplated thereby, including proof that the Good Faith Deposit has been made.

- (c) Corporate Authority: The Bid must include written evidence reasonably acceptable to the Debtors (in consultation with the Consultation Parties) demonstrating appropriate corporate authorization to consummate the proposed Sale Transaction.
- (d) Proof of Financial Ability to Perform: The Bid must include written evidence that the Debtors reasonably conclude (in consultation with the Consultation Parties)

demonstrates that the Bidder has the necessary financial ability to close the Sale Transaction on the timeline set forth in the Bidding Procedures Key Dates and provide adequate assurance of future performance under all contracts to be assumed and assigned in such Sale Transaction.

- (e) Contingencies: A Bid may not (i) contain representations and warranties, covenants, termination rights, financing, due diligence contingencies other than as may be included in the Stalking Horse Agreement (it being agreed and understood that such Bid shall modify the terms of the Stalking Horse Agreement as needed to comply in all respects with the Bidding Procedures Order (including removing any termination rights in conflict with the Bidding Procedures Order) and will remove provisions that apply only to the Stalking Horse Bidder as the stalking horse bidder, such as the Break-Up-Fee and Expense Reimbursement) or (ii) be conditioned on obtaining financing or any internal approval, or on the outcome or review of due diligence, but may be subject to the accuracy in all material respects of specified representations and warranties at the closing of the Sale Transaction.
- (f) Irrevocable: A Bid must be irrevocable through the Auction, *provided, however*, that if such Bid is accepted as the Successful Bid or a Backup Bid (each as defined herein), such Bid shall continue to remain irrevocable, subject to the terms and conditions of the Bidding Procedures.
- (g) Bid Deadline. Regardless of when a party qualifies as an Interested Party, each Bid must be submitted in writing, on or before August 3, 2020 at 4:00 p.m. (ET) or such other date as may be agreed to by the Debtors in consultation with the Consultation Parties (the “**Bid Deadline**”) to the following parties: (i) Sur La Table, Inc., 6100 4th Avenue South, Suite 500, Seattle, Washington 98108 (Attn: Jason Goldberger, CEO); (ii) proposed counsel to the Debtors, Cole Schotz P.C., 25 Main Street, Hackensack, New Jersey (Attn: Michael D. Sirota and David M. Bass); and (iii) the Debtors’ proposed financial advisor, SOLIC Capital Advisors, LLC and SOLIC Capital LLC, 1603 Orrington Avenue, Suite 1600 Evanston, Illinois 60201 (Attn: Edward R. Casas) and 3284 Northside Parkway, Suite 450, Atlanta, Georgia 30327 (Attn: Gregory F. Hagood).
- (h) Amount of Bid. Each Bid may be for some or all of the Acquired Assets and shall clearly express the consideration, including the cash consideration and any assumed liabilities, for such proposed assets. For any Bid seeking to acquire all or materially all of the Acquired Assets, such Bid (a) must propose a purchase price equal to or greater than the aggregate of the sum of (i) \$58,363,509, the value of the Bid set forth in Stalking Horse Agreement, as determined by the Debtors; (ii) the dollar value of the Break-Up-Fee and Expense Reimbursement, (iii) the outstanding amount of the obligations (including principal, interest fees and other outstanding amounts) owing under the debtor-in-possession loan facility provided by the Stalking Horse Bidder (or its Affiliates); and (iv) \$500,000 (the initial overbid amount), in cash; (b) must obligate the Bidder to pay, all amounts which the Stalking Horse Bidder under the Stalking Horse Agreement has agreed

to pay, including all Assumed Liabilities; and (c) with respect to intellectual property and furniture, fixtures and equipment, must obligate the Bidder to pay an amount, in cash, greater than the amount of the credit bid attributable to such assets in the Stalking Horse Agreement. The Debtors (in consultation with the Consultation Parties) may consider Bids for less than all of the Acquired Assets if, in the Debtors' sole determination (after consultation with the Consultation Parties), such Bid is a higher or better offer for the Debtors' assets, provided, the Debtors shall consider in the context of whether such any such Bid is higher or better, the Debtors' obligation to pay the Break-Up-Fee and Expense Reimbursement by proceeding with an Alternative Transaction.

- (i) Adequate Assurance of Future Performance. Each Bid shall be accompanied by adequate assurance of future performance information (the "**Adequate Assurance Information**"), including (i) information about the Bidder's financial condition, such as federal tax returns for two (2) years, a current financial statement, or bank account statements, (ii) information demonstrating (in the Debtors' reasonable business judgment, in consultation with the Consultation Parties) that the Bidder has the financial capacity to consummate the proposed Sale Transaction, (iii) evidence that the Bidder has obtained authorization or approval from its board of directors (or comparable governing body) with respect to the submission of its Bid, (iv) the identity and exact name of the Bidder (including any equity holder or other financial backer if the Bidder is an entity formed for the purpose of consummating the proposed Sale Transaction), and (v) such additional information regarding the Bidder as the Bidder may elect to include. By submitting a Bid, each Bidder agrees that the Debtors may disseminate their Adequate Assurance Information to the Consultation Parties, as well as affected landlords and contract counterparties in the event that the Debtors determine such bid to be a Qualified Bid. The Debtors shall transmit such Adequate Assurance Information to any affected landlord or contract counterparty that requests such information within twelve (12) hours of receipt of such request by the Debtors.
- (j) Affirmative Statement. Each Bid shall be accompanied by an affirmative statement (i) it has and will continue to comply with these Bidding Procedures; (ii) its bid does not entitle such Bidder to any break-up fee, Break-Up-Fee and Expense Reimbursement, expense reimbursement, or any other similar type of payment or reimbursement; and (iii) it waives any substantial contribution administrative expense claims under Bankruptcy code section 503(b) related to bidding for the Assets.

The Debtors will review each Bid received from a Bidder to determine, in their sole discretion (in consultation with the Consultation Parties), whether the Bid meets the above requirements, and if so, such Bid shall constitute a "**Qualified Bid**," and such Bidder shall constitute a "**Qualified Bidder**"; *provided, however* that a Bid shall not be a "Qualified Bid" unless it meets the requirements set forth in (a) through (j) above. The Debtors shall inform Bidders whether or not their Bids have been designated as Qualified Bids no later than twenty-four (24) hours after the Bid Deadline. Notwithstanding anything herein, the Stalking Horse

Agreement shall be deemed a Qualified Bid, and the Stalking Horse Bidder shall be a Qualified Bidder for each phase of the Auction.

“As Is, Where Is”

The sale of the Acquired Assets shall be on an “as is, where is” basis and without representations or warranties of any kind, nature or description by the Debtors, their agents or estates or any other party, except to the extent set forth in the definitive agreement between the Debtors and the Successful Bidder (such agreement, the “**Successful Bidder Agreement**”). Except as otherwise provided in the Successful Bidder Agreement, all of the Debtors’ rights, title and interest in and to the Acquired Assets shall be sold free and clear of all liens, claims, interests, and encumbrances (collectively, the “**Claims**”) pursuant to section 363(f) of the Bankruptcy Code, such Claims to attach to the net proceeds of the sale of the Acquired Assets with the same validity and priority as existed immediately prior to such sale.

Auction

If one or more Qualified Bids (other than the Stalking Horse Agreement) is received by the Bid Deadline, the Debtors will conduct an auction (the “**Auction**”) to determine the highest or otherwise best Qualified Bid. If no Qualified Bid (other than the Stalking Horse Agreement) is received by the Bid Deadline, no Auction shall be conducted, and the Stalking Horse Agreement shall be deemed to be the Successful Bid and the Stalking Horse Bidder shall be deemed to be the Successful Bidder. Only Qualified Bidders may participate in the Auction. No less than twenty four (24) hours prior to the Auction, the Debtors shall provide copies of all Qualified Bids to all Qualified Bidders, including the Stalking Horse Bidder.

The Auction shall take place on August 5, 2020 at 10:00 a.m. (ET), or such other time as the Debtors shall notify all Qualified Bidders, including the Stalking Horse Bidder, counsel for the Stalking Horse Bidder and other invitees in accordance with these Bidding Procedures. The Auction shall be conducted by video conference, the details of which will be provided to Qualified Bidders in advance of the Auction.

- (a) The Debtors Shall Conduct the Auction. The Debtors and their professionals shall direct and preside over the Auction. The Auction shall be conducted in an “open cry” format, with each Qualified Bidder present in one room for the submission of any Overbid by another Qualified Bidder. No sealed bidding shall be permitted. At the start of the Auction, the Debtors shall announce which Qualified Bid(s) is/are deemed to be the highest or otherwise best (each Qualified Bid an “**Auction Baseline Bid**”). Each Qualified Bidder participating in the Auction must confirm at the start and conclusion of the Auction that it has not engaged in any collusion with respect to the bidding or sale of the Debtors’ assets.

The Debtors, the Committee (if any), Prepetition Term Loan Agent, the Prepetition ABL Agent, the Stalking Horse Bidder, the Debtors’ landlords, and any other Qualified Bidder, in each case, along with their representatives, shall be

permitted to attend the Auction; however, only the Stalking Horse Bidder and such other Qualified Bidders will be entitled to make any Bids at the Auction.

Prior to the Auction, the Debtors will share with all Qualified Bidders, including the Stalking Horse Bidder, the highest or otherwise best bid received at the Bid Deadline (each, a “**Baseline Bid**”). Qualified Bidders will be permitted to revise, increase, and/or enhance their bids at the Auction based upon the terms of the Baseline Bid. All Qualified Bidders will have the right to make additional modifications to their Qualified Bid or Agreement, consistent with the Bidding Procedures, as applicable, at the Auction.

- (b) Terms of Overbids. An “**Overbid**” is any bid made at the Auction subsequent to the Debtors’ announcement of an Auction Baseline Bid. To submit an Overbid for purposes of this Auction, a Bidder must comply with the following conditions:
- (i) Minimum Overbid Increment. Any Overbid after the Auction Baseline Bid shall be made in increments valued at not less than \$100,000 as determined by the Debtors (in consultation with the Consultation Parties). Additional consideration in excess of the amount set forth in an Auction Baseline Bid may include cash and/or non-cash consideration. For purposes of any Overbid, the Stalking Horse Bidder shall be entitled to a credit in the amount of the Break-Up-Fee and Expense Reimbursement.
 - (ii) Remaining terms are the same as for Qualified Bids. Except as modified herein, an Overbid must comply with the conditions for a Qualified Bid set forth above (including section (i) thereof), *provided, however*, that the Bid Deadline shall not apply. Any Overbid must remain open and binding on the Bidder until and unless the Debtors accept a higher Overbid.
- (c) Backup Bidder. Notwithstanding anything in the Bidding Procedures to the contrary, if an Auction is conducted, the party with the next highest or otherwise best Qualified Bid at the Auction, as determined by the Debtors, in the exercise of their business judgment (in consultation with the Consultation Parties) will be designated as the backup bidder (the “**Backup Bidder**”). The Backup Bidder shall be required to keep its initial Bid (or if the Backup Bidder submitted one or more Overbids at the Auction, its final Overbid) (the “**Backup Bid**”) open and irrevocable until the earlier of 4:00 p.m. (ET) on the date that is twenty-one (21) days after the date of the Sale Hearing (the “**Outside Backup Date**”) or the closing of the transaction with the Successful Bidder. Following the Sale Hearing, if the Successful Bidder fails to consummate an approved transaction, because of a breach or failure to perform on the part of such Successful Bidder, the Debtors may designate (in consultation with the Consultation Parties) the Backup Bidder to be the new Successful Bidder, and the Debtors will be authorized, but not required, to consummate the transaction, with the Backup Bidder without further order of the Bankruptcy Court. In such case, the defaulting Successful Bidder’s deposit shall be forfeited to the Debtors, which, in accordance with the Successful Bidder Agreement, shall constitute liquidated

damages from the defaulting Successful Bidder (defined herein). The deposit of the Backup Bidder shall be held by the Debtors until the earlier of one (1) Business Day after (i) the closing of the transaction with the Successful Bidder and (ii) the Outside Backup Date.

- (d) Additional and Modified Procedures. The Debtors may announce at the Auction additional or modified rules and procedures that are reasonable under the circumstances (*e.g.*, limitations in the amount of time to make subsequent Overbids, changes in minimum overbid increments, etc.) for conducting the Auction so long as such rules do not materially alter the terms of the Stalking Horse Agreement or in the Debtors' business judgment will better promote the goals of the bidding process.
- (e) Consent to Jurisdiction as Condition to Bidding. The Stalking Horse Bidder and all Qualified Bidders at the Auction shall be deemed to have consented to the core jurisdiction of the Bankruptcy Court and waived any right to a jury trial in connection with any disputes relating to these Bidding Procedures, the Stalking Horse Agreement, the Successful Bidder Agreement, the Auction, or the construction and enforcement of any documents related to an Alternative Transaction.
- (f) Closing the Auction. The Auction shall continue until the Debtors determine in their reasonable business judgment (in consultation with the Consultation Parties) that there is a highest or otherwise best Qualified Bid at the Auction for all of the Acquired Assets (each a "**Successful Bid**" and each Bidder submitting such Successful Bid, a "**Successful Bidder**"). The Auction shall not close unless and until all Bidders who have submitted Qualified Bids have been given a reasonable opportunity to submit an Overbid at the Auction to the then-existing Overbids and the Successful Bidder has submitted fully executed sale and transaction documents memorializing the terms of the Successful Bid. Within twenty-four (24) hours following conclusion of the Auction, the Debtors shall file a notice on the Bankruptcy Court's docket identifying (with specificity) the Successful Bidder for the Acquired Assets and any applicable Backup Bidders. The Debtors acceptance of the Successful Bid is conditioned upon approval by the Court of the Successful Bid. For the avoidance of doubt, nothing in these Bidding Procedures shall prevent the Debtors from exercising their respective fiduciary duties under applicable law.

Break-Up-Fee and Expense Reimbursement

In the event that the sale to the Stalking Horse Bidder is not consummated pursuant to the terms of the Stalking Horse Agreement, the Stalking Horse Bidder is entitled to payment of its Break-Up-Fee and Expense Reimbursement pursuant to the terms of the Stalking Horse Agreement.

The Debtors recognize the value and benefits that the Stalking Horse Bidder has provided to the Debtors by entering into the Stalking Horse Agreement, as well as the Stalking Horse

Bidder's expenditure of time, energy and resources. Therefore, subject to the terms of the Stalking Horse Agreement, the Debtors shall pay the Break-Up Fee and the Expense Reimbursement to the Stalking Horse Bidder by wire transfer of immediately available funds to the account specified by the Stalking Horse Bidder to the Debtors in writing. The Break-Up-Fee and Expense Reimbursement shall be paid upon the earlier of (i) five (5) days after the date of the applicable termination event and (ii) simultaneously with the closing of an Alternative Transaction, and shall be paid to the Stalking Horse Bidder prior to the payment of the proceeds of such sale to any third party asserting a Lien on the Acquired Assets (and no Lien of any third party shall attach to the portion of the sale proceeds representing the Break-Up Fee and the Expense Reimbursement.)

The Break-Up-Fee and Expense Reimbursement shall constitute an allowed administrative expense claim against the Debtors' bankruptcy estates pursuant to Bankruptcy Code sections 503(b) and 507(a)(2).

Except for the Stalking Horse Bidder, no other party submitting an offer or Bid for the Acquired Assets or a Qualifying Bid shall be entitled to any expense reimbursement, break-up fee, termination or similar fee or payment.

Prepetition Term Loan Agent

Pursuant to section 363(k) of the Bankruptcy Code and applicable law, the Stalking Horse Bidder shall have the right to credit bid on a dollar-for-dollar basis of all (or if it chooses, any portion of) the outstanding Prepetition Term Loan Obligations.

Nothing in these Bidding Procedures shall be deemed to provide the consent of the Prepetition Term Loan Agent to the sale of the Acquired Assets to a party other than the Stalking Horse Bidder free and clear of the liens securing the Prepetition Term Loan Obligations. The Prepetition Term Loan Agent expressly reserves all rights to object or otherwise contest any Sale Transaction or aspects thereof including, but not limited to, the Debtors' determination with respect to whether a Bid is a Qualified Bid, the Debtors' valuation of any non-cash consideration, and the Debtors' determination of the highest and best Bid and selection of Successful Bidder and Backup Bidder.

Sale Hearing

A hearing will be held on August 10, 2020 at 10:00 a.m. (ET) (the "**Sale Hearing**"), at which the Debtors will seek approval of the sale of the Acquired Assets to the Successful Bidder. Objections, if any, to the sale of the Acquired Assets to the Successful Bidder and the transaction contemplated by the Successful Bidder Agreement must be in writing and filed with the Bankruptcy Court no later than 4:00 p.m. (ET) on August 3, 2020 and be served such that they are actually received by: (i) Sur La Table, Inc., 6100 4th Avenue South, Suite 500, Seattle, Washington 98108 (Attn: Jason Goldberger, CEO); (ii) proposed counsel to the Debtors, Cole Schotz P.C., 25 Main Street, Hackensack, New Jersey (Attn: Michael D. Sirota and David M. Bass); (iii) the Debtors' proposed financial advisor, SOLIC Capital Advisors, LLC and SOLIC Capital LLC, 1603 Orrington Avenue, Suite 1600 Evanston, Illinois 60201 (Attn: Edward R.

Casas) and 3284 Northside Parkway, Suite 450, Atlanta, Georgia 30327 (Attn: Gregory F. Hagood); (iv) counsel for the Stalking Horse Bidder and Prepetition Term Agent, Proskauer Rose LLP, One International Place, Boston, MA 02110, (Attn: Charles A. Dale III); (v) counsel for the Prepetition ABL Agent: Riemer & Braunstein LLP, Times Square Tower, Seven Times Square, Suite 2506, New York, NY 10036, Attn: Donald E. Rothman, Esq. and Anthony B. Stumbo, Esq.; (vi) the Office of the United States Trustee, One Newark Center, 1085 Raymond Boulevard, Suite 2100, Newark, NJ 07102 (Attn: Jeffrey Sponder, Esq. and Lauren Bielskie, Esq.); and (vii) counsel to any statutory committee appointed in these chapter 11 cases.

In the event that a Successful Bidder does not consummate the Sale Transaction and a Backup Bidder(s) has been previously identified, the Debtors shall (1) file and serve a Notice of Intent to Proceed with Backup Bid, and (2) schedule a telephonic status conference, which may be expedited, upon reasonable notice under the circumstances (which shall be no less than seven (7) days), at which time a briefing and hearing schedule will be established for those landlords and counterparties to executory contracts that do not consent to a proposed assumption and assignment to the Backup Bidder. The Backup Bidder, as identified in the Notice of Successful Bidder, shall not be considered or approved at the Sale Hearing nor shall affected landlords or counterparties be required to object to Backup Bidder prior to the filing and service of the Notice of Intent to Proceed with Backup Bid.

In the event that a Successful Bidder is not the Stalking Horse Bidder, the Sale Hearing shall proceed as a status conference with respect to the assumption and assignment of any executory contracts and unexpired leases to such Successful Bidder, and a further hearing shall be scheduled, which may be expedited, upon reasonable notice under the circumstances (which shall be no less than seven (7) days), with respect to such proposed assumption and assignment. At such further hearing a briefing and hearing schedule will be established for those landlords and counterparties to executory contracts that do not consent to the proposed assumption and assignment to the Successful Bidder that is not the Stalking Horse Bidder.

In the event no Qualified Bid, other than the Stalking Horse Bid, is received, the Debtors reserve the right to request (in consultation with the Consultation Parties) that the Bankruptcy Court advance the date of the Sale Hearing and provide notice of such new date to those parties in interest entitled to notice thereof.

The Sale Hearing may be adjourned or rescheduled from time to time.

Return of Good Faith Deposit

The Good Faith Deposits of all Qualified Bidders shall be held in one or more segregated accounts by the Debtors but shall not become property of the Debtors' estates absent further order of the Bankruptcy Court. The Good Faith Deposit of any Qualified Bidder that is neither the Successful Bidder nor the Backup Bidder shall be returned to such Qualified Bidder not later than two (2) Business Days after the Sale Hearing. The Good Faith Deposit of the Backup Bidder shall be returned to the Backup Bidder on the date that is the earlier of one (1) Business Day after (a) the closing of the transaction with the Successful Bidder and (b) the Outside Backup Date. If the Successful Bidder timely closes the winning transaction, its Good Faith Deposit shall be credited towards its purchase price.

Reservation of Rights

Except as otherwise provided in the Stalking Horse Agreement, Bidding Procedures Order or the Sale Order, the Debtors further reserve the right as they may reasonably determine to be in the best interest of their estates (in consultation with the Consultation Parties), to:

- (a) determine which bidders are Qualified Bidders; (b) determine which Bids are Qualified Bids;
- (c) determine which Qualified Bid is the highest and best proposal and which is the next highest and best proposal; (d) reject any Bid that is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Bidding Procedures or the requirements of the Bankruptcy Code or (iii) contrary to the best interests of the Debtors and their estates; and (e) cancel the Auction without further notice or by filing a notice on the docket.