UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

In re: WELLMADE FLOOR COVERINGS INTERNATIONAL, INC., *et al.*,[1] Debtors.	Chapter 11 Case No. 25-58764 (Jointly Administered)

MOTION OF THE DEBTORS FOR ENTRY OF AN ORDER (A) APPROVING PRIVATE SALE OF THE DEBTORS' ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS, (B) AUTHORIZING THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES, AND (C) GRANTING RELATED RELIEF

The above-captioned debtors and debtors in possession (collectively, the "Debtors"), submit this motion (the "Private Sale Motion"), pursuant to sections 105, 363, and 365 of title 11 of the United States Code (the "Bankruptcy Code"), Rules 2002, 6004, 6006, 9007, and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), Rules 9013-1 and 9013-2 of the Local Rules of the United States Bankruptcy Court for the Northern District of Georgia (the "Local Rules"), and Sections D and H of the *Second Amended and Restated General Order 26-2019, Procedures for Complex Chapter 11 Cases*, dated February 6, 2023 (the "Complex Case Procedures"), for entry of an order, substantially in the form attached hereto as **Exhibit 1** (the "Sale Order"):

(i) authorizing the private sale of the Assets (the "Sale") free and clear of liens, claims, encumbrances, and other interests, except for those Permitted Liens and Assumed Liabilities that are expressly assumed pursuant to that certain Second Amended and Restated Asset Purchase Agreement, dated as of September 16, 2025, by and between Wellmade Floor Coverings International, Inc., Wellmade Industries MFR.

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: Wellmade Industries MFR. N.A LLC (1058) and Wellmade Floor Coverings International, Inc. (8425). The mailing address for the Debtors for purposes of these chapter 11 cases is: 1 Wellmade Drive, Cartersville, GA 30121.

N.A LLC (collectively, the "Debtors" or the "Sellers") and AHF IC LLC (including any permitted designees, collectively, the "Buyer") (a copy of which, including any amendments, is attached to the Sale Order as **Exhibit A**, as the same may be further amended, supplemented or otherwise modified in accordance with the terms, together with all exhibits and schedules thereto, the "Purchase Agreement"),

(ii) authorizing the Sellers to perform under the Purchase Agreement,

(iii) approving the assumption and assignment of certain of the Debtors' executory contracts and unexpired leases related thereto (any such executory contract or unexpired lease assumed and assigned pursuant to the Sale, an "Assumed Contract"), and

(iv) granting related relief.

In support of this Private Sale Motion, the Debtors rely on the *Declaration of David Baker, CTP in Support of Chapter 11 Petitions and First Day Pleadings* [D.I. 14] (the "First Day Declaration"), and the *Declaration of Teri Stratton in Support of the Debtors' Bidding Procedures Motion* [D.I. 39] (the "Stratton Declaration") and the *Declaration of Teri Stratton in Support of the Debtors' Private Sale Motion*, filed concurrently herewith (the "Stratton Sale Declaration"), and respectfully state as follows:

PRELIMINARY STATEMENT

1. The goal of these chapter 11 cases is to consummate a sale of the Debtors' assets that will maximize recoveries for the Debtors' estates and allow the Debtors' business to continue as a going concern.

2. As detailed in the First Day Declaration, the Sale Declaration and the Bidding Procedures Motion (as defined below), prior to the filing of the chapter 11 proceeding, the Debtors launched a sale process. In May 2025, the Debtors retained Hilco Corporate Finance ("Hilco") as their investment banker to conduct an extensive and comprehensive marketing process for a sale of the Debtors as a going concern (the "Marketing Process").

3. Shortly after the Petition Date, the Debtors and the Buyer entered into the Stalking Horse Agreement with a purchase price of $40,000,000 (the "Stalking Horse Purchase Agreement").[2] The Debtors subsequently filed the Bidding Procedures Motion, which provided for the Debtors' solicitation of competing bids and, in the event the Debtors received another qualified bid, and holding of an efficient and fair auction of the Debtors' business to determine whether any other higher or better offers can be obtained.

4. Since the entry of the Bidding Procedures Order (as defined below), the Debtors received an additional offer from the Buyer in the amount of $58,500,000 (the "Purchase Price"), which the Debtors believe is the highest and best price they will receive for the assets. The Purchase Agreement is not conditioned on financing or the completion of additional due diligence.

5. The Debtors believe that the Sale to the Buyer represents a sound exercise of the Debtors' business judgment, is in the best interest of its estates, and should be approved.

JURISDICTION AND VENUE

6. The United States Bankruptcy Court for the Northern District of Georgia (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

7. Venue is proper in the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

8. The statutory predicates for the relief requested herein are sections 105, 363, and 365 of title 11 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 6006, 9007, and 9014, Local Rules 9013-1 and 9013-2, and the Complex Case Procedures.

[2] The Stalking Horse Purchase Agreement is attached as Exhibit 2 to the Bidding Procedures Order. *See* D.I. 99, Exhibit 2.

BACKGROUND

I. The Chapter 11 Cases

9. On August 4, 2025 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code with this Court.

10. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

11. On August 14, 2025, the United States Trustee appointed the official committee of unsecured creditors (the "Committee") in the above-captioned chapter 11 cases (the "Chapter 11 Cases"). No request has been made for the appointment of a trustee or an examiner.

12. Additional information regarding the Debtors' business, capital structure, and the circumstances leading to the filing of these Chapter 11 Cases is set forth in the First Day Declaration.

II. The Sale Process

13. As noted above, and as further described in the First Day Declaration and Sale Declaration, the Debtors ran a prepetition Marketing Process and shortly after the Petition Date executed the Stalking Horse Purchase Agreement with the Buyer.

14. On August 8, 2025, the Debtors filed the *Motion of the Debtors for Entry of Orders (I)(A) Establishing Bidding Procedures Relating to the Sale of the Debtors' Assets, (B) Approving the Debtors' Entry into the Stalking Horse Purchase Agreement and Related Bid Protections, (C) Establishing Procedures Relating to the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, (D) Approving Form and Manner of Notices Relating Thereto, (E) Scheduling a Hearing to Consider the Proposed Sale, and (F) Granting Related Relief; and (II)(A) Approving the Sale of the Debtors' Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests, (B) Authorizing the Assumption and Assignment of Certain*

Executory Contracts and Unexpired Leases, and (C) Granting Related Relief [D.I. 38] (the "Bid Procedures Motion").

15. On August 25, 2025, the Court entered an order approving the Bid Procedures Motion [D.I. 99] (the "Bidding Procedures Order"), granting certain of the relief sought in the Bid Procedures Motion, including, among other things, approving: (a) the Bidding Procedures, which establish the key dates and times related to the Sale and the Auction, and (b) the Assumption and Assignment Procedures.

16. As set forth in the Bidding Procedures Motion and the Bidding Procedures Orders, the Debtors entered into the Stalking Horse Purchase Agreement for the sale of substantially all of the Assets and with a purchase price of $40,000,000, subject to higher or otherwise betters offers made through the Bidding Procedures.

17. Following approval of the Bidding Procedures, the Debtors filed a *Notice of Proposed Sale, Bidding Procedures, Auction, and Sale Hearing* [D.I. 101] (the "Auction and Sale Notice") and continued its marketing process, including executing confidentiality agreements with prospective buyers, exchanging business diligence information, and reviewing indications of interest. The Debtors also continued negotiations with the Stalking Horse Bidder.

18. Following these continued negotiations, the Stalking Horse Bidder offered to increase its purchase price to $58,500,000.00 in exchange for the Debtors agreeing to proceed with a private sale.[3]

19. Based on the material increase to the Purchase Price, and faced with the potential that an auction would not yield a superior price, the Debtors agreed to proceed with a private sale and entered into the revised Stalking Horse Purchase Agreement on September 16, 2025.

[3] The listed consideration is comprised of a credit bid and cash component but does not account for potential adjustments, including, for example, the assumption of certain liabilities in connection with the proposed Sale.

20. In accordance with the Bidding Procedures, the Debtors filed a *Notice of Cancelation of Auction* [D.I. 177] on September 17, 2025.

21. Although the Debtors are seeking a substantively similar sale – with any changes benefitting the creditors and other parties in interest – as the sale contemplated in the Bidding Procedures Motion and Bidding Procedures Order, given the changes to the sale process and out of an abundance of caution, the Debtors filed this Private Sale Motion seeking approval of this private Sale.

22. Ultimately, the Purchase Agreement maximizes the value of the Debtors' Assets and will yield the best outcome for stakeholders by preserving jobs for employees and a viable business for continued relations with vendors and service providers.

III. The Primary Terms of the Purchase Agreement

23. Pursuant to Bankruptcy 6004 and Section H(3) of the Complex Case Procedures, the key terms and conditions of the Purchase Agreement are set forth on the Annex attached hereto. The Purchase Agreement contemplates the sale of the Acquired Assets (as defined in the Purchase Agreement) on such terms, which the Debtors submit are reasonable and necessary to consummate the Sale.

IV. Assumption and Assignment of Certain Executory Contracts

24. As contemplated in the Purchase Agreement, at the closing of the Sale, the Debtors intend to assume and assign certain executory contracts and unexpired leases selected by the Buyer (the "Assumed Contracts") pursuant to section 365 of the Bankruptcy Code.

25. Pursuant to the Bidding Procedures Order, on September 12, 2025, the Debtors filed and served the *Notice of Proposed Assumption and Assignment of Certain Executory Contracts* [D.I. 168] (the "Notice of Potential Assumption and Assignment") on all counterparties to the

Assumed Contracts regarding the proposed assumption and assignment and related cure costs (the "Cure Costs"), if any. Pursuant to the Notice of Potential Assumption and Assignment the deadline to object to the proposed assumption and assignment of an Assumed Contract, the proposed Cure Costs (if any), and/or adequate assurance of future performance by the Buyer was September 19, 2025 (the "Assumed Contract Objection Deadline').[4] Further, the Buyer has identified for the Debtors which of the executory contracts and unexpired leases that the Buyer desires to have assumed and assigned to it and a list of these Assumed Contracts is attached to the Sale Order as **Exhibit B**.

RELIEF REQUESTED

26. By this Motion, the Debtors seek entry of the Sale Order, substantially in the form attached hereto as **Exhibit 1**: (a) approving the sale of the Debtors' Assets free and clear of all Interests, (b) authorizing the assumption and assignment of the Assumed Contracts, and (c) granting related relief.

BASIS FOR RELIEF

I. Approval of the Sale Is Appropriate Under Section 363 of the Bankruptcy Code

27. The Sale should be approved as a sound exercise of the Debtors' business judgment. Section 363 of the Bankruptcy Code provides that "[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate . . . ." 11 U.S.C. § 363(b)(1). A debtor must demonstrate a sound business justification for a sale or use of assets outside the ordinary course of business. *See In re Diplomat Constr., Inc.*, 481 B.R. 215, 218 (Bankr. N.D. Ga. 2012) ("The business judgment test is the prevailing rubric to evaluate the

[4] Two formal objections were filed prior to the Assumed Contract Objection Deadline. *See* D.I. 181, 183. The Seller and Buyer are in the process of reviewing and hopefully resolving these objections. The Debtors reserve all rights and arguments related thereto.

proposed transaction under § 363(b)(1), although it has been articulated in a variety of ways." (citation omitted)).

28. Once a court determines that a valid business justification exists for a sale outside of the ordinary course of business, the court must determine whether (a) adequate and reasonable notice of the sale was given to interested parties, (b) the sale will produce a fair and reasonable price for the property, and (c) the parties have acted in good faith. *See In re Elpida Memory, Inc.*, Case No. 12-10947 (CSS), 2012 WL 6090194, at *5 (Bankr. D. Del. Nov. 20, 2012); *In re Exaeris, Inc.*, 380 B.R. 741, 744 (Bankr. D. Del. 2008). As described below, the proposed Sale meets each of these requirements.

A. The Sale Represents a Sound Exercise of the Debtors' Business Judgment

29. Here, a strong business justification exists for the Sale.

30. First, accurate and reasonable notice has been provided to all parties in interest. In connection with a proposed sale under section 363, courts generally hold that notice should: (i) place all parties on notice that the debtor is selling its business; (ii) disclose accurately the full terms of the sale; (iii) explain the effect of the sale as terminating the debtor's ability to continue in business; and (iv) explain why the proposed price is reasonable and why the sale is in the best interest of the estate. *In re Del. & Hudson Ry. Co.,* 124 B.R. 169 (D. Del. 1991).

31. Here, there have been multiple rounds of notice to parties in interest of a potential sale. On August 12, 2025, the Debtors filed and served their Notice of Hearing of the Bidding Procedures Motion. In accordance with the Bidding Procedures Order, the Debtors served the Auction and Sale Notice upon the Notice Parties (as defined in the Bidding Procedures Motion) on August 26, 2025 and subsequently published the Auction and Sale Notice on the Case Website and in the national edition of the *Wall Street Journal*. The Debtors then filed the *Notice of*

Cancellation of Auction on September 17, 2025. In each of the Debtors' notices, which were approved by the Court as sufficient forms of notice, the Debtors have also pointed out that all filings in these cases are available to anyone free of charge on its claims and noticing agent's website.

32. The Debtors have also sought to continue the Sale Hearing, which was originally scheduled for September 29, 2025 and file this Private Sale Motion to provide any potential party in interest with additional notice of the exact nature of the proposed Sale. The Debtors intend to file a Notice of Hearing on the Private Sale Motion and Continued Sale Hearing concurrent with this Motion, which will include the time and place of the hearing and the deadline for filing any objections to the relief requested herein.

33. Second, the Purchase Price to be paid under the Purchase Agreement provides fair and reasonable consideration for the Debtors' business. "It is a well established principle of bankruptcy law that the objective of bankruptcy sales and the [debtor's] duty with respect to such sales is to obtain the highest price or greatest overall benefit possible for the estate." *In re Atlanta Packaging Prods., Inc.*, 99 B.R. 124, 131 (Bankr. N.D. Ga. 1988); *see also In re Wilde Horse Enters.*, 136 B.R. 830, 841 (Bankr. C.D. Cal. 1991) ("In any sale of estate assets, the ultimate purpose is to obtain the highest price for the property sold."). As described above, the Debtors have concluded that, due to a shortfall of liquidity, an efficient Sale of substantially all their Assets to the Buyer represents the best opportunity for the Debtors to maximize value and preserve their going-concern value for the benefit of their stakeholders.

34. Based on the marketing and sale process undertaken by the Debtors, it is not reasonably likely that additional or further marketing or sale efforts will result in any entity submitting a bid exceeding the offer set forth in the Purchase Agreement. Moreover, further

marketing and sales efforts would require the Debtor to incur additional administrative costs not justified in light of the Buyer's offer and the other indications of market interest obtained through the Debtors' marketing.

35. Third, the Buyer is an arm's length, third-party that proposed and negotiated the Purchase Agreement, including, for the avoidance of doubt, all amendments thereto, in good faith, and proceeded in good faith and at arm's length at all times during the negotiation over the terms of sale and purchase. The Buyer is not affiliated with or otherwise related to any Debtor or any Debtors' "insider" within the meaning of section 101(31) of the Bankruptcy Code. The Buyer's purchase of the Acquired Assets and the terms and conditions of the Purchase Agreement were arrived at through arm's length, good faith negotiations. The Purchase Agreement is not the product of fraud, collusion or improper insider dealing. The Debtors believe that the Purchase Agreement is fair and reasonable and represents the highest and best value for the Debtors' Assets.

36. Accordingly, the Debtors, in their sound business judgment, believe that the Sale to the Buyer is in the best interest of its estate, and that the Sale free and clear of lien, claims, encumbrances and interests should be authorized pursuant to the terms and conditions of the Purchase Agreement.

B. **Private Sale of the Assets is Appropriate under Bankruptcy Rule 6004**

37. Bankruptcy Rule 6004(f) permits a debtor to conduct a private sale pursuant to section 363 of the Bankruptcy Code. Specifically, Bankruptcy Rule 6004(f) provides that "[a]ll sales not in the ordinary course of business may be by private sale or by public auction." Fed. R. Bankr. P. 6004(f)(1) (emphasis added). A debtor has broad discretion to determine the manner in which its assets are sold. *See In re Alisa P'ship*, 15 B.R. 802, 802 (Bankr. D. Del 1981) (holding that manner of sale is within the debtor's discretion); *In re Bakalis*, 220 B.R. 525, 531-32 (Bankr.

E.D.N.Y. 1998) (stating that debtor has authority to conduct public or private sales of estate property).

38. Thus, in exercise of this discretion, a debtor may conduct a private sale if a good business reason exists. *See*, *e.g.*, *In re Capmark Fin. Group, Inc.*, 2010 Bankr. LEXIS 5348 (Bankr. D. Del. July 14, 2010) (approving a private sale where it was "supported by good business reasons and will serve the best interests of the Debtor"); *In re Pritam Realty, Inc.*, 233 B.R. 619 (D.P.R. 1999) (upholding the bankruptcy court's approval of a private sale conducted by a chapter 11 debtor); *In re Condere Corp.*, 228 B.R. 615, 629 (Bankr. S.D. Miss. 1998) (authorizing private sale of debtors' tire company where "[d]ebtor has shown a sufficient business justification for the sale of the assets to the [p]urchaser"); *In re Wieboldt Stores, Inc.*, 92 B.R. 309 (N.D. Ill. 1988) (affirming right of chapter 11 debtor to transfer assets by private sale).

39. Good business reasons exist for the Private Sale. The Debtors have marketed the Assets extensively over the past five (5) months and are confident that the proposed Purchase Price and the terms of the Purchase Agreement are the highest and best offer for the Assets that can be secured by the estates. To induce the Buyer to make its highest and best offer, the Debtors agreed and supported a private sale to the Buyer, which yielded the increased offer from the Buyer reflected in the Purchase Agreement.

40. Moreover, additional delay and continued involvement of estate professionals with this matter would also require the Debtors' estate to incur additional administrative costs to the detriment of creditors. These costs are not justified where the probability that a competing bidder

will emerge with an offer higher or better to top the Buyer's offer is very low. Finally, both the Committee and the DIP Lender support proceeding with the Sale to the Buyer.

41. The Sale is, therefore, in the best interests of the Debtors' estates and their stakeholders.

II. The Proposed Sale Satisfies the Requirements of Section 363(f) of the Bankruptcy Code for a Sale Free and Clear of Interests

42. The Sale also meets the requirements to be a sale free and clear of Interests. Section 363(f) of the Bankruptcy Code authorizes a debtor to sell assets free and clear of liens, claims, encumbrances, and any other interests in such property of an entity other than the Debtors if:

> (1) applicable nonbankruptcy law permits sale of such property free and clear of such interest;
>
> (2) such entity consents;
>
> (3) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;
>
> (4) such interest is in bona fide dispute; or
>
> (5) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

11 U.S.C. § 363(f).

43. A sale that meets the requirements for a sale free and clear of Interests pursuant to section 363(f) of the Bankruptcy Code can also bar claimants from asserting successor liability against the successful purchaser. *See, e.g.*, *In re Trans World Airlines, Inc.*, 322 F.3d 283, 288-90 (3d Cir. 2003) (sale of assets pursuant to section 363(f) barred successor liability claims for employment discrimination and rights under travel voucher program); *Amphenol Corp. v. Shandler (In re Insilco Techs., Inc.)*, 351 B.R. 313, 322 (Bankr. D. Del. 2006) (stating that a 363 sale permits

a buyer to take ownership of property without concern that a creditor will file suit based on a successor liability theory).

44. The Debtors submit that, to attract the highest or otherwise best value for creditors, it is appropriate to sell their Assets on a final "as is" basis, free and clear of any and all Interests (except as otherwise expressly set forth in the Sale Order and the Purchase Agreement) in accordance with section 363(f) of the Bankruptcy Code because one or more of the tests of section 363(f) are satisfied with respect to such Sale.

45. In particular, the Debtors believe that they will meet section 363(f)(2) of the Bankruptcy Code with respect to the Debtors' DIP Lender and Prepetition Lender that have liens on the Assets, because the DIP Lender and the Prepetition Lender will consent to the Sale.

46. Moreover, with respect to any other party asserting an Interest against the Assets, the Debtors anticipate that they will be able to satisfy one or more of the conditions set forth in section 363(f) of the Bankruptcy Code. In particular, known lienholders will receive notice and will be given sufficient opportunity to object to the relief requested. Such lienholders that do not object to the Sale should be deemed to have consented. *See TransUnion Risk & Alternative Data Sols., Inc. v. Best One, Inc. (In re TLFO, LLC)*, 572 B.R. 391, 435 (Bankr. S.D. Fla. 2016) ("Lack of objection to the sale—provided that there has been adequate notice—constitutes consent."); *In re Lake Burton Dev., LLC*, No. 09-22830, 2010 Bankr. LEXIS 5211, at *17 (Bankr. N.D. Ga. Apr. 13, 2010) (finding in a sale order that any lienholder who did not object was "deemed to have consented" to the sale pursuant to section 363(f)(2)); *FutureSource LLC v. Reuters Ltd.*, 312 F.3d 281, 285-86 (7th Cir. 2002) ("[L]ack of objection (provided of course there is notice) counts as consent. It could not be otherwise; transaction costs would be prohibitive if everyone who might

have an interest in the bankrupt's assets had to execute a formal consent before they could be sold." (internal citations omitted)).

III. The Buyer Should Be Afforded the Protections of Section 363(m) of the Bankruptcy Code

47. Pursuant to section 363(m) of the Bankruptcy Code, a good faith purchaser is one who purchases assets for value, in good faith, and without notice of adverse claims. *See In re Abbotts Dairies of Pa., Inc.*, 788 F.2d 143, 147 (3d Cir. 1986); *In re Tempo Tech. Corp.*, 202 B.R 363, 367 (D. Del. 1996).

48. While the Bankruptcy Code does not define "good faith," courts have held that a purchaser shows its good faith through the integrity of its conduct during the course of the sale proceedings. *See*, *e.g.*, *In re Abbotts Dairies of Pennsylvania, Inc*., 788 F.2d 143, 147 (3d Cir. 1986) (*quoting In re Rock Indus. Mach. Corp*., 572 F.2d 1195, 1198 (7th Cir. 1978)) ("Typically, the misconduct that would destroy a [buyer's] good faith status at a judicial sale involves fraud, collusion between the [proposed buyer] and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders."); *In re Sasson Jeans, Inc*., 90 B.R. 608, 610 (S.D.N.Y. 1988) (same).

49. The Sale and the Purchase Agreement are the product of good faith, arm's length negotiations. There is no indication of fraud, collusion or improper insider dealing. The Debtors are prepared to present additional facts at the Sale Hearing to demonstrate that the Purchase Agreement was negotiated at arm's length, with all parties represented by their own counsel. Accordingly, the Debtors request that the Sale Order include a provision concluding that the Buyer is a "good faith" purchaser within the meaning of section 363(m) of the Bankruptcy Code. The Debtors believe that providing the Buyer with such protection will ensure that the maximum price will be received by the Debtors and the closing of the Sale will occur promptly.

IV. Assumption and Assignment of the Assumed Contracts Should be Authorized

50. Section 365 of the Bankruptcy Code authorizes a debtor to assume and/or assume and assign its executory contracts and unexpired leases, subject to the approval of the court, so long as the defaults under such contracts and leases are cured and adequate assurance of future performance is provided. *See* 11 U.S.C. §§ 365(a), (b), (f). Assumption and assignment of the Assumed Contracts in connection with the Sale is appropriate.

A. Assumption and Assignment of the Assumed Contracts Is a Reasonable Exercise of the Debtors' Business Judgment

51. Assumption or rejection of an executory contract or unexpired lease is a matter of the debtor's business judgment. *See In re Gardinier, Inc.*, 831 F.2d 974, 975 n.2 (11th Cir. 1987) (noting that "courts review a trustee's decision to assume or reject a contract under a traditional 'business judgment' standard" (citing *N.L.R.B. v. Bildisco & Bildisco*, 465 U.S. 513 (1984)). A debtor's decision in this regard is "entitled to great deference from the Court." *See id.* (noting the "narrow" scope of the court's review); In *re Armstrong World Indus.*, 348 B.R. 136, 162 (Bankr. D. Del. 2006). In order to satisfy the business judgment test, a debtor must only show that assumption or rejection of an executory contract will benefit the estate.

52. To facilitate the Sale and to maximize the value received for the Debtors' Assets, the Debtors request approval under section 365 of the Bankruptcy Code of the Debtors' assumption and assignment of the Assumed Contracts to the Buyer. Certain of the Debtors' executory contracts and unexpired leases will likely be necessary for the continued operation of the Debtors' business by the Buyer.

53. The Debtors further request that the Sale Order provide that the Assumed Contracts will be transferred to, and remain in full force and effect for the benefit of, the Buyer,

notwithstanding any provisions in the Assumed Contracts, including those described in sections 365(b)(2), 365(f)(1), and 365(f)(3) of the Bankruptcy Code that prohibit such assignment.

54. The Debtors also request that the Sale Order provide that to the extent any provision in any Assumed Contracts (a) prohibits, restricts or conditions, or purports to prohibit, restrict or condition, such assumption or assignment (including, without limitation, any "change of control" provision), or (b) is modified, breached, or terminated, or deemed modified, breached, or terminated by any of the following: (i) the commencement of the Chapter 11 Cases, (ii) the insolvency or financial condition of the Debtors at any time before the closing of the Chapter 11 Cases, (iii) the Debtors' assumption or assumption and assignment (as applicable) of such Assumed Contracts, or (iv) the consummation of the Sale, then such provisions shall be deemed modified so as to not entitle the non-Debtor party thereto to prohibit, restrict or condition such assumption or assignment, to modify, terminate or declare a breach or default under such Assumed Contracts, or to exercise any other default-related rights or remedies with respect thereto, including, without limitation, any such provision that purports to allow the non-Debtor party thereto to recapture such Assumed Contracts, impose any penalty thereunder, condition any renewal or extension thereof, impose any rent acceleration or assignment fee, or increase or otherwise impose any other fees or other charges in connection therewith. The Debtors request that all such provisions be deemed to constitute unenforceable anti-assignment provisions that are void and of no force and effect pursuant to sections 365(b), 365(e), and 365(f) of the Bankruptcy Code.

B. **Any Defaults Under the Assumed Contracts Will be Cured**

55. Upon finding that a debtor has exercised its business judgment in determining that assuming and assigning an executory contract or unexpired lease is in the best interest of its estate, a court must then evaluate whether the assumption and assignment meets the requirements of

sections 365(b) and (f) of the Bankruptcy Code, specifically that a debtor and/or assignee (a) cure, or provide adequate assurance of promptly curing, defaults in the executory contract or unexpired lease, (b) compensate parties for pecuniary losses arising therefrom and (c) provide adequate assurance of future performance thereunder. This requirement "attempts to strike a balance between two sometimes competing interests, the right of the contracting non-debtor to get the performance it bargained for and the right of the debtor's creditors to get the benefit of the debtor's bargain." *In re Luce Indus., Inc.*, 8 B.R. 100, 107 (Bankr. S.D.N.Y. 1980).

56. The Debtors submit that the statutory requirements of section 365(b)(1)(A) of the Bankruptcy Code will be satisfied because the Assumed Contracts are being assumed and assigned after following a clear noticing process conducted by the Debtors and approved by the Court in the Bidding Procedures Order. Specifically, the contract counterparties have been provided notice of proposed cure costs. A cure notice listing all of the then-known executory contracts and unexpired leases related to the Debtors' operations, along with the Debtors' belief as to outstanding prepetition cure amounts owing by the Debtors to the counterparties of those executory contracts and unexpired leases, was filed on September 12, 2025 [D.I. 168] and served on all counterparties to the listed executory contracts and unexpired leases. Further, the Buyer has identified for the Debtors which of the executory contracts and unexpired leases that the Buyer desires to have assumed and assigned to it and a list of these Assumed Contracts is attached to the Sale Order as **Exhibit B**.

57. The Debtors and Buyers are actively working to resolve any disputes over cure costs and other defaults and are confident that if defaults exist that must be cured, such cure will be achieved fairly, efficiently, and properly, consistent with the Bankruptcy Code and with due respect to the rights of non-Debtor parties.

C. **Non-Debtor Parties Will Be Adequately Assured of Future Performance**

58. Similarly, the Debtors submit that the other requirement under sections 365(b) and (f) of the Bankruptcy Code—adequate assurance of future performance—is also satisfied. The requirement to show "adequate assurance of future performance" depends on the facts and circumstances of each case, but should be given a "practical, pragmatic construction." *In re DBSI, Inc.*, 405 B.R. 698, 708 (Bankr. D. Del. 2009); *see also Cinicola v. Scharffenberger*, 248 F.3d 110, 120 n.10 (3d Cir. 2001); *In re Decora Indus.*, Case No. 00-4459 (JJF), 2002 WL 32332749, at *8 (D. Del. May 20, 2002) ("[A]dequate assurance falls short of an absolute guaranty of payment."). Adequate assurance may be provided by demonstrating the assignee's financial health and experience in managing the type of enterprise or property assigned. *See, e.g.*, *In re Bygaph, Inc.*, 56 B.R. 596, 605-06 (Bankr. S.D.N.Y. 1986) (finding adequate assurance of future performance present when the prospective assignee of a lease from the debtors has the financial resources and has expressed a willingness to devote sufficient funding to the business in order to give it a strong likelihood of succeeding).

59. The Debtors believe that the Buyer will be able to provide adequate assurance of future performance in connection with any Assumed Contracts because the Buyer has already submitted evidence sufficient to demonstrate such bidder's financial wherewithal and ability to consummate the Sale, including its willingness and ability to perform under the executory contracts and unexpired leases to be assumed and assigned. Further, the Assumption and Assignment Procedures provided the Court and other interested parties ample information and opportunity to evaluate and, if necessary, challenge the ability of the Buyerr to provide adequate assurance of future performance and object to the assumption of the executory contracts and unexpired leases.

60. To the extent necessary, the Debtors will present additional facts at the Sale Hearing to show the financial credibility, willingness, and ability of the Buyer to perform under the Assumed Contracts. The Court therefore will have a sufficient basis to authorize the Debtors to assume and assign the executory contracts and unexpired leases as set forth in the Purchase Agreement.

61. Based on the foregoing, the Debtors submit that assumption and assignment of the Assumed Contracts is appropriate in these Chapter 11 Cases. The Court, therefore, will have a sufficient basis to authorize the Debtors to assume and assign the Assumed Contracts as set forth on Exhibit B to the Sale Order.

WAIVER OF BANKRUPTCY RULES 6004(h) AND 6006(d); AUTOMATIC STAY

62. To implement the foregoing immediately, the Debtors seek a waiver of the 14-day stay of an order authorizing the use, sale, or lease of property under Bankruptcy Rule 6004(h) and the assumption and assignment of the Assumed Contracts under Bankruptcy Rule 6006(d).

63. Here, a waiver of the stay is appropriate because the Sale was extensively marketed and notice of the Sale was adequately provided to all parties in interest. Likewise, the non-Debtor parties to the Assumed Contracts were provided with adequate notice of, and opportunity to object to, the assumption and assignment of the Assumed Contracts.

NOTICE

64. Notice of this Private Sale Motion will be given by overnight mail to the following parties, or in lieu thereof, to their counsel: (a) the Office of the United States Trustee for the Northern District of Georgia; (b) holders of the thirty (30) largest unsecured claims against the Debtors on a consolidated basis; (c) counsel to the Prepetition Lender and Buyer; (d) counsel to the Debtors' postpetition secured lender (the "DIP Lender"); (e) the Internal Revenue Service; (f) the Office of the United States Attorney for the Northern District of Georgia; (g) all parties that

have filed a notice of appearance and request for service of papers pursuant to Bankruptcy Rule 2002; (h) the U.S. Department of Justice; and (i) the offices of the attorneys general for the states in which the Debtors operate. The Debtors submit that, under the circumstances, no other or further notice is required.

[*Remainder of Page Intentionally Left Blank*]

CONCLUSION

WHEREFORE the Debtors respectfully request entry of the Sale Order granting the relief requested herein and such other and further relief as is just and proper.

Dated: September 26, 2025
Atlanta, Georgia

Respectfully submitted,

GREENBERG TRAURIG, LLP

/s/ John D. Elrod
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Counsel for the Debtors and Debtors in Possession

Annex

Summary of Purchase Agreement[5]

[5] The summary of the terms contained in this Annex are qualified in their entirety by reference to the provisions of the Purchase Agreement. In the event of any inconsistencies between the provisions of the Purchase Agreement and the summary set forth herein, the terms of the Purchase Agreement shall govern. Unless otherwise defined in the summary set forth in the accompanying text, capitalized terms shall have the meanings ascribed to them in the Purchase Agreement.

Purchase Agreement Provision	Summary Description
Parties	Buyer: AHF IC, LLC, a Delaware limited liability company Sellers: Wellmade Floor Coverings International, Inc., an Oregon corporation and Wellmade Industries MFR. N.A LLC, a Georgia limited liability company Agmt. at Preamble.
Purchase Price	$58,500,000 in credit bid and cash plus the assumption of Assumed Liabilities (including the Cure Amounts). Agmt. § 2.5
Acquired Assets	All of the Sellers' right, title and interest in and to all of the properties, rights, interests and other tangible and intangible assets of the Sellers other than the Excluded Assets. Agmt. § 2.1 and Exhibit A
Excluded Assets	The following assets of the Sellers: (a) all certificates of incorporation or certificates of formation and other organizational documents, qualifications to conduct business as a foreign entity, arrangements with registered agents relating to foreign qualifications, taxpayer and other identification numbers, seals, minute books, stock or other equity transfer books, stock or membership certificates relating to the Sellers and other documents relating to the organization, maintenance and existence of any Seller as a corporation or limited liability company; (b) all Records related to Taxes paid or payable by any Seller; provided that the Buyer shall have the right to make copies of any portions of such excluded Records to the extent that such portions relate to the Business, any Acquired Asset or any Assumed Liability; (c) Owned Equity Interests; (d) all Contracts and Leases that are not Assumed Contracts; (e) any (i) confidential personnel and medical Records pertaining to any Service Provider to the extent the disclosure of such information is prohibited by applicable Law and (ii) other Records that any Seller is required by Law to retain; provided that the Buyer shall have the right to make copies of any portions of such excluded Records to the extent that such portions relate to the Business, any Acquired Asset, any Assumed Liability or any Service Provider hired by the Buyer on the Closing Date (to the extent not prohibited by applicable Law); (f) any documents and agreements of any Seller relating to the Sellers' Chapter 11 Cases or to the sale or other disposition of any Excluded Assets; provided that the Buyer shall have the right to make copies of any portions of such excluded Records to the extent that such portions relate to the Business, any Acquired Asset or any Assumed Liability; (g) all Permits that are not Assumed Permits; (h) trade accounts receivable and other rights to

Purchase Agreement Provision	Summary Description
	payment from customers of the Sellers (whether current or non-current) to the extent arising from products delivered prior to the Closing Date that are unpaid as of the Closing Date; (i) any Cash (except for customer deposits associated with Assumed Contracts or Assumed Liabilities, which such cash will be an Acquired Asset together with the Assumed Contract or Assumed Liability, as applicable); (j) all Employee Benefit Plans; (k) any assets owned by WFCI that are not related to or used in connection with the Business or otherwise located at the Cartersville Plant; (l) all Avoidance Actions other than Specified Avoidance Actions; and (m) all D&O Litigation Claims. Agmt. § 2.2 and Article I (definition for "Excluded Assets")
Assumed Liabilities	(a) all Liabilities arising after the Closing Date under the Assumed Contracts and the Assumed Permits included in the Acquired Assets that are incurred from the use of the Acquired Assets and conduct of the Business by the Buyer following the Closing Date; (b) all Cure Amounts up to and including (but not in excess of) the Cure Amounts Cap pursuant to Section 2.6(f); (c) all Liabilities for Transfer Taxes to the extent borne by the Buyer pursuant to Section 6.5; (d) (i) all accrued vacation and sick time of the Transferred Employees that remains unused or unpaid as of the Closing up to $100,000 and (ii) any other Liabilities described as being assumed or fulfilled by the Buyer in Section 6.4; and (e) all remaining obligations of the Sellers under the AHF Inventory Agreement. Agmt. § 2.3
Excluded Liabilities	(a) except as otherwise provided in Section 2.10 or Section 6.5, (i) all Taxes of any Seller or any of its Affiliates, including Taxes imposed on any Seller under Treasury Regulations Section 1.1502-6 and similar provisions of state, local or foreign Tax Law accruing prior to the Closing and (ii) all Liabilities for Taxes relating to the Business, Acquired Assets or Transferred Employees for all Taxable periods (or portions thereof) ending on or prior to the Closing Date (including, for the avoidance of doubt, any payroll or other employment Taxes deferred by any Seller pursuant to Section 2302 of the CARES Act), and any sales, use, ad valorem or similar Tax; (b) all Liabilities of the Sellers for fees, costs and expenses incurred in connection with Sellers' Chapter 11 Cases or negotiating, preparing, closing and carrying out this Agreement and the transactions contemplated hereby, including (i) any fees and expenses of attorneys, investment bankers, finders, brokers,

Purchase Agreement Provision	Summary Description
	accountants and consultants and (ii) any fees, costs and expenses or payments related to any transaction bonus, discretionary bonus, change-of-control payment, retention or other compensatory payments made to any Service Provider (including the employer portion of any payroll, social security, unemployment or similar Taxes related thereto); (c) all Personal Property Taxes; (d) all Liabilities of any Seller in respect of Indebtedness (except to the extent of any Cure Amounts under any Assumed Contracts (subject to the Cure Amounts Cap) and any capitalized leases that are Assumed Contracts); (e) all Liabilities arising in connection with any actual or alleged violation of any applicable Law relating to the period prior to the Closing Date by any Seller, including any Environmental, Health and Safety Requirements and the items set forth on Section 3.8 of the Disclosure Schedule; (f) all litigation claims and any other Liabilities, including any tort claims, breach of contract claims, employment claims and discrimination claims, to the extent relating to Claims (including Claims instituted after the Closing Date), events or conditions arising out of or relating in any way to the conduct or operation of the Business or the ownership of the Acquired Assets prior to the Closing Date even if instituted after the Closing Date; (g) all Liabilities and obligations arising out of, relating to or in connection with incidents or events occurring prior to the Closing Date by any Person applying for employment with, employed by, or acting as an independent contractor on the property of or on behalf of, any Seller for payment, claims or benefits under workers' compensation Laws or any other Law; (h) all Liabilities with respect to, or relating to or arising out of the employment, service or termination of employment or service of Service Providers by any Seller whether arising before or after the Closing Date (except to the extent assumed pursuant to Section 2.3(d)), including but not limited to all Liabilities relating to Service Providers who do not become Transferred Employees; (i) all Liabilities arising in connection with or in any way relating to any Seller (or any predecessor or any prior owner of all or part of their business and assets), any property now or previously owned, leased or operated by any Seller or the Acquired Assets or any activities or operations occurring or conducted at any real property used or held for use by any Seller (including offsite disposal), which (i) arise under or relate to any Environmental, Health and Safety Requirements and (ii) relate to actions occurring or conditions existing on or prior to the Closing Date;

Purchase Agreement Provision	Summary Description
	(j) all Liabilities arising out of or related to any Excluded Asset; (k) all Cure Amounts in excess of the Cure Amounts Cap; (l) all Liabilities to any (i) owner or former owner of capital stock or other equity interests of any Seller or any Affiliate of the foregoing, (ii) current or former officer or director of any Seller, in their capacity as such, or (iii) any Subsidiary of the Sellers; (m) all other Liabilities that are not Assumed Liabilities, including all Liabilities arising under or in connection with written or oral Contracts (which are not Assumed Contracts); (n) all Liabilities of the Sellers constituting accounts payable incurred prior to the Closing Date to the extent not included as a Cure Amount (subject to the Cure Amounts Cap), or otherwise expressly included as an Assumed Liability pursuant to Section 2.3; (o) all Liabilities arising out of or related to any Employee Benefit Plan; and (p) all other Liabilities of any Seller under this Agreement and the Related Agreements and the transactions contemplated hereby or thereby (excluding all the Assumed Liabilities). Agmt. § 2.4
Sale of Avoidance Actions	Acquired Assets includes all Specified Avoidance Actions; provided that, for the avoidance of doubt, neither the Buyer nor any Person claiming by, through, or on behalf of the Buyer (including by operation of law, sale, assignment, conveyance or otherwise) shall pursue, prosecute, litigate, institution or commence an action based on, assert, sell, convey, assign or file any claim that relates to the Specified Avoidance Actions, including setoff claims. Agmt. at Exhibit A.
Employee Matters	(a) The Buyer shall offer employment at its absolute discretion on or prior to the Closing Date to any of the then-active employees of the Business employed by the Sellers and listed in Section 3.9(a) of the Disclosure Schedules (such employees who accept such offers of employment from the Buyer, the "Transferred Employees"). Such offers of employment made by the Buyer shall require a commencement date of employment with the applicable the Buyer on or as soon as practicable after the Closing Date. The Sellers shall have no liability or obligation to (x) any Transferred Employee with respect to their employment with the Buyer after the Closing Date or (y) any such Person who is offered but declines an offer of employment from the Buyer. Nothing in this Agreement shall restrict the rights of the Buyer under applicable Law or any employment contract with respect to any Transferred Employee. Upon execution of this Agreement, the Sellers shall provide the Buyer with reasonable access to its employees for the purpose of allowing the

Purchase Agreement Provision	Summary Description
	Buyer to negotiate new employment terms, including, without limitation, retention agreements and/or incentive payment plans. (b) If any Service Provider requires a work visa or work permit for such Service Provider to commence employment with the Buyer as of or after the Closing Date, Sellers shall, in conjunction with the Buyer and at Buyer's sole expense, use reasonable efforts to cause any such visa, permit, pass or other approval to be obtained and in effect prior to the Closing Date. (c) Notwithstanding anything in this Agreement to the contrary: (i) Each Seller shall be liable for the base wages or base salary and commissions, bonuses, benefits, or similar compensation that accrued on or prior to the Closing Date with respect to all Service Providers of such Seller (except to the extent the Buyer has expressly assumed any of the same pursuant to Section 2.3; and (ii) Nothing in this Agreement is intended to (x) prevent the Buyer from terminating the employment of any Transferred Employee on or following the Closing Date (for any reason), or (y) create any third-party beneficiary rights in any Service Provider of any Seller, any beneficiary or dependent thereof, or any collective bargaining agreement representative. Agmt. § 6.4.
Conditions to Buyer's / Debtors' Obligations to Close	Customary conditions for a sale transaction being consummated pursuant to the Bankruptcy Code, including (without limitation): (1) accuracy of the representations and warranties, (2) material performance of any interim covenants, (3) entry of a Sale Order, (4) no occurrence of Material Adverse Effect, (5) preservation of a certain number of employees, and (6) the Sale Order shall permit for the assumption and assignment of the Buyer Designated Material Contracts. Agmt. at Article VII
Access to Books & Records	From and after the Closing Date, the Buyers shall reasonably promptly provide to the Sellers and their respective Representatives (after reasonable notice and during normal business hours and without charge to Seller), at the Sellers' sole cost and expense, reasonable access to all Records included in the Acquired Assets for periods prior to the Closing (as long as such access does not unreasonably interfere with the Buyer's business operations) to the extent such access is necessary in order for any Seller to comply with its obligations to administer Sellers' Chapter 11 Cases or applicable Law or any Contract to which it is a party, and so long as such access is subject to an obligation of confidentiality, and shall preserve such Records until the latest of (i) four (4) years after the Closing Date, (ii) the required retention period for all government contact information, records or documents, (iii) the conclusion of all

Purchase Agreement Provision	Summary Description
	bankruptcy proceedings relating to the Sellers' Chapter 11 Cases, and (iv) in the case of Records related to Taxes, the expiration of the statute of limitations applicable to such Taxes; provided, however, that, for avoidance of doubt, the foregoing shall not require any Party to waive, or take any action with the effect of waiving, its attorney-client privilege or any confidentiality obligation to which it is bound with respect thereto or take any action in violation of applicable Law. Agmt. § 6.3
Requesting Findings as to Successor Liability	The Sale Order approving the Purchase Agreement and the transactions contemplated therein shall provide that the Buyer will not be subject to successor liability for any claims or causes of action of any kind or character against any Seller, whether known or unknown, unless expressly assumed as an Assumed Liability pursuant to the Purchase Agreement. Agmt. at Article I (definition for "Sale Order")
Sale to Insider Complex Case Procedure ("CCP") § H(3)(i)	Not applicable.
Agreements with Management CCP § H(3)(ii)	Not applicable.
Releases CCP § H(3)(iii)	Not applicable.
Private Sale/No Competitive Bidding CCP § H(3)(iv)	The Sellers will not, and will cause their respective Affiliates and Representatives not to, directly or indirectly, initiate, solicit or encourage (including by way of furnishing information or assistance), or continue or enter into negotiations or discussions of any type, or enter into a confidentiality Contract, letter of intent, purchase Contract or other similar Contract with any Person other than the Buyer with respect to an Alternative Transaction. The Sellers will immediately terminate any discussions, negotiations, site visits, or other activities with a third party regarding an Alternative Transaction, and without limiting the foregoing, the Sellers will terminate, within one day of the date hereof, access to the "Project Peach" electronic data room hosted by Datasite or any other data room for each Person other than the Buyer, its Affiliates and their respective Representatives. On or before September 15, 2025, Sellers shall inform all parties known to them who are likely to submit a proposal for an Alternative Transaction that no bids will be solicited or accepted by the Sellers (either on September 19, 2025 or otherwise) and that the auction has been cancelled; provided,

Purchase Agreement Provision	Summary Description
	however, that Sellers may respond to any unsolicited offer(s) to purchase the Acquired Assets for an amount in excess of the Purchase Price plus the Bidding Protections and, in connection therewith, may perform any and all other acts related thereto, which are required under the Bankruptcy Code or other applicable law, including supplying information relating to the Business or the Acquired Assets requested by any prospective buyers making a topping offer as required by the Debtor in its fiduciary duty. Agmt. § 5.12.
Closing and Other Deadlines CCP § H(3)(v)	No later than October 13, 2025, the Bankruptcy Court shall have entered the Sale Order. *See* Agmt. § 5.3(d)(ii). The outside date for Closing is 30 days following entry of the Sale Order, provided in no event later than November 14, 2025. *See* Agmt. at Article I (definition for "End Date").
Good Faith Deposit CCP § H(3)(vi)	Upon the Buyer's execution of the Stalking Horse Purchase Agreement, Buyer remitted an earnest-money deposit in the amount of $2,000,000.00 to a non-interest-bearing third-party escrow account maintained by a third-party escrow agent, and within one Business Day of the Buyer's execution of this Purchase Agreement, the Buyer shall remit an additional amount of $925,000.00 to such non-interest-bearing third-party escrow account maintained by a third-party escrow agent (collectively, the "Cash Deposit Amount"), by wire transfer of immediately available funds. Agmt. § 2.11.
Interim Arrangement with Proposed Buyer CCP § H(3)(vii)	Pursuant to CCP § H(3)(vii), as customary for a sale transaction being consummated pursuant to the Bankruptcy Code, the Buyer and the Sellers have agreed on the Sellers continuing to operate their businesses in the ordinary course of business while the parties pursue the Sale. Agmt. § 5.4.

Exhibit 1

Proposed Sale Order

IN THE UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

In re:	Chapter 11
	Case No. 25-58764 (SMS)
WELLMADE FLOOR COVERINGS INTERNATIONAL, INC., *et al.*,[1]	(Jointly Administered)
Debtors.	**Re: Docket Nos. 38, 99, 177, [●]**

ORDER (A) APPROVING THE PRIVATE SALE OF THE DEBTORS' ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS, (B) AUTHORIZING THE ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES, AND (C) GRANTING RELATED RELIEF

Upon the *Motion of the Debtors for Entry of an Order (A) Approving the Private Sale of the Debtors' Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests, (B) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired*

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: Wellmade Industries MFR. N.A LLC (1058) and Wellmade Floor Coverings International, Inc. (8425). The mailing address for the Debtors for purposes of these chapter 11 cases is: 1 Wellmade Drive, Cartersville, GA 30121.

Leases, and (C) Granting Related Relief [D.I. [●]]] (the "Private Sale Motion")[2] of the above-captioned debtors and debtors in possession (the "Debtors") for the entry of an order pursuant to sections 105(a), 363, and 365 of title 11 of the United States Code (the "Bankruptcy Code"), Rules 2002, 6004, 6006, 9007, and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), Rules 9013-1 and 9013-2 of the Local Rules of the United States Bankruptcy Court for the Northern District of Georgia (the "Local Rules") and Sections D and H of the *Second Amended and Restated General Order 26-2019, Procedures for Complex Chapter 11 Cases*, dated February 6, 2023 (the "Complex Case Procedures"), among other things, (i) authorizing the sale of the Acquired Assets (the "Sale") free and clear of liens, claims, encumbrances, and other interests, except for those Permitted Liens and Assumed Liabilities that are expressly assumed pursuant to that certain Second Amended and Restated Asset Purchase Agreement, dated as of September 16, 2025, by and between Wellmade Floor Coverings International, Inc., Wellmade Industries MFR. N.A LLC (collectively, the "Debtors" or the "Sellers"), and AHF IC LLC (including any permitted designees, collectively, the "Buyer") (a copy of which, including any amendments, is attached hereto as **Exhibit A**, as the same may be further amended, supplemented or otherwise modified in accordance with its terms, together with all exhibits and schedules thereto, the "Purchase Agreement"), (ii) authorizing the Sellers to perform under the Purchase Agreement, (iii) approving the assumption and assignment of certain of the Sellers' executory contracts and unexpired leases related thereto (any such executory contract or unexpired lease assumed and assigned pursuant to the Sale, an "Assumed Contract"), and (iv) granting related relief; the Court having entered an order approving the Bidding Procedures and granting certain related relief on August 22, 2025

[2] Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in either the Private Sale Motion or the Purchase Agreement (as defined herein), as applicable.

[D.I. 99] (the "Bidding Procedures Order") after a hearing on August 21, 2025 (the "Bidding Procedures Hearing"); and the Debtors having submitted the *Declaration of David Baker, CTP in Support of Chapter 11 Petitions and First Day Pleadings* [D.I. 14], the *Declaration of Teri Stratton in Support of the Debtors' Bidding Procedures Motion* [D.I. 39] and the *Declaration of Teri Stratton in Support of the Private Sale Motion* [D.I. [●]] (the "Stratton Sale Declaration"); after further negotiations between the Sellers and the Buyer, the Buyer agreed to materially increase the Purchase Price in exchange for the Sellers agreeing to discontinue the marketing and solicitation process for other qualified bids and therefore, elect not to hold an auction (the "Auction"), all as set forth in the Purchase Agreement and as described in the Stratton Sale Declaration; the Debtors having filed and served an *Amended Notice of Proposed Sale, Bidding Procedures, Auction, and Sale Hearing* [D.I. 127] (the "Sale Notice"), a *Notice of Proposed Assumption and Assignment of Certain Executory Contracts* [D.I. 168] (the "Cure Notice"), filed and served the *Notice of Cancellation of Auction* [D.I. 177] (the "Auction Cancellation Notice"), and filed and served the *Notice of (I) Hearing on Motion of the Debtors for Entry of an Order (A) Approving the Private Sale of the Debtors' Assets Free and Clear of All Liens, Claims, Encumbrances, and Interests, (B) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, and (C) Granting Related Relief and (II) Continuing Sale Hearing* [D.I. [●]] (the "Private Sale Notice"); the Court having conducted a hearing on the Private Sale Motion on October 6, 2025 (the "Sale Hearing") at which time all interested parties were offered an opportunity to be heard with respect to the Private Sale Motion; the Court having reviewed and considered the Private Sale Motion and other evidence submitted in support of the Private Sale Motion, the Purchase Agreement, and the objections thereto; upon the record of the hearing on the Bidding Procedures Hearing and the Sale Hearing; the Court having heard statements and arguments of

counsel and the evidence presented with respect to the relief requested in the Private Sale Motion at the Sale Hearing; due notice of the Private Sale Motion, the Purchase Agreement, the Bidding Procedures Hearing, Bidding Procedures Order and the cancellation of the Auction having been provided; the Court having determined that a sound business purpose exists for the Sale, the relief requested in the Private Sale Motion is in the best interests of the Debtors, their estates, their stakeholders, and all other parties in interest, the Sale was negotiated and proposed in good faith and the Purchase Price is fair and reasonable and in the best interest of the Debtors' estates; and the Court having jurisdiction over this matter; the legal and factual bases set forth in the Private Sale Motion and at the Sale Hearing establishing just cause for the relief granted herein; and after due deliberation thereon,

THE COURT HEREBY FURTHER FINDS AND DETERMINES THAT:[3]

I. Petition Date

A. On August 4, 2025 (the "Petition Date"), the Debtors commenced these Chapter 11 Cases by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code. Since the Petition Date, the Debtors have continued to operate and manage their business as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No request has been made for the appointment of a trustee or examiner in these Chapter 11 Cases.

B. On August 14, 2025, the United States Trustee for the Northern District of Georgia (the "U.S. Trustee") appointed the official committee of unsecured creditors (the "Committee"). D.I. 59.

[3] All findings of fact and conclusions of law announced by the Court at the Sale Hearing in relation to the Private Sale Motion are hereby incorporated herein to the extent not inconsistent herewith.

II. Jurisdiction, Final Order and Statutory Predicates

C. The Court has jurisdiction to hear and determine the Private Sale Motion pursuant to 28 U.S.C. §§ 157(b)(1) and 1334(a). This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (N) and (O). Venue is proper in this District and in the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

D. This order (this "Sale Order") constitutes a final and appealable order within the meaning of 28 U.S.C. § 158(a). Notwithstanding the provisions of Bankruptcy Rules 6004(h) and 6006(d), and to any extent necessary under Bankruptcy Rule 9014 and Federal Rule of Civil Procedure 54(b), as made applicable by Bankruptcy Rule 7054, the Court expressly finds that there is no just reason for delay in the implementation of this Sale Order, expressly waives any stay, and expressly directs entry of judgment as set forth herein.

E. The statutory predicates for the relief requested in the Private Sale Motion are sections 105(a), 363, 365, 503, and 507 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 6006, 9007, and 9014 of the Federal Rules of Bankruptcy Procedure, Local Rules 9013-1 and 9013-2, and Section H of the Complex Case Procedures.

F. The findings of fact and conclusions of law 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.

III. Notice of the Sale, Auction, and the Cure Amounts

G. Actual written notice of the Bidding Procedures Hearing, the Sale Hearing, the Auction Cancellation Notice, the Private Sale Motion, the identity of the Buyer, the Sale, the assumption, assignment, cure and sale of the Assumed Contracts to be assigned to the Buyer pursuant to the Purchase Agreement (which are identified on **Exhibit B** hereto) has been timely

and properly provided to, and a reasonably calculated, fair and reasonable opportunity to object or be heard with respect to the Private Sale Motion and the relief requested therein has been afforded to, all known interested persons and entities, including, but not limited to the following parties: (i) all entities known, or reasonably believed, after reasonable inquiry, to have asserted any Interest in or upon any of the Debtors' Assets; (ii) all federal, state, and local regulatory or taxing authorities or recording offices which have a reasonably known interest in the relief requested by this Private Sale Motion; (iii) known counterparties to any unexpired leases or executory contracts that could potentially be assumed and assigned to the Buyer; (iv) the Office of the United States Trustee for the Northern District of Georgia; (v) holders of the thirty (30) largest unsecured claims against the Debtors on a consolidated basis; (vi) the Office of the United States Attorney General for the Northern District of Georgia; (vii) the Internal Revenue Service; (viii) the U.S. Department of Justice; (ix) the offices of the attorneys general for the states in which the Debtors operate; (x) counsel to the Buyer; and (xi) all parties requesting notice pursuant to Bankruptcy Rule 2002. The requirements of Bankruptcy Rule 6004(a) and all applicable Local Rules are satisfied by such notice. In addition to the parties identified above, the Debtors provided notice of the Private Sale Motion, the Sale, and the Sale Hearing to: (x) the U.S. Department of Justice, U.S. Attorney's Office for the Northern District of Georgia; (y) the U.S. Equal Employment Opportunity Division, Atlanta District Office, and (z) U.S. Customs and Border Protection. Such notice was sufficient and appropriate under the circumstances.

H. In accordance with the provisions of the Bidding Procedures Order, the Debtors caused the Cure Notice to be served, in compliance with the requirements of due process and the Bankruptcy Code, upon the Buyer and the non-Debtor counterparties to the executory Contracts or unexpired Leases (each, a "Contract Counterparty," and, collectively, the "Contract

Counterparties"), noticing such parties: (i) of the Sale, (ii) that the Sellers may seek to assume and assign the Assumed Contracts on the Closing Date, (iii) of the relevant Cure Amounts, and (iv) of the relevant objection deadlines. The Court finds that: (1) the Buyer and the Contract Counterparties have had an opportunity to object to the Sale and to Cure Amounts set forth in the Cure Notice; (2) the Cure Notice provided the Buyer and the Contract Counterparties with proper notice of the potential assumption and assignment of the Assumed Contracts and any Cure Amount relating thereto; (3) the service of such Cure Notice was good, sufficient, and appropriate under the circumstances; (4) no further notice need be given in respect of establishing Cure Amounts for the Assumed Contracts; and (5) the procedures set forth in the Bidding Procedures Order with regard to objecting to any such Cure Amount satisfy the provisions of section 365 of the Bankruptcy Code and Bankruptcy Rule 6006.

I. The Debtors' Sale Notice, Cure Notice and Private Sale Notice provided all interested persons and entities with timely and proper notice of, and a reasonable opportunity to object and be heard with respect to, the assumption and assignment of the Assumed Contracts, the Sale, the Sale Hearing, and the Auction (and subsequent cancelation of the auction).

J. As evidenced by the affidavits of service previously filed with the Court (including [D.I. [●][4]]) proper, timely, adequate, and sufficient notice of the Private Sale Motion, the Bidding Procedures, the assumption and assignment of the Assumed Contracts, the Auction, the Auction Cancellation Notice, the Sale Hearing, and the Sale has been provided in accordance with sections 102(1), 363, and 365 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 6006, 9007 and 9014, the Local Rules, and Sections D and H of the Complex Case Procedures. The Debtors also have complied with all obligations to provide notice of the assumption and assignment of the Assumed

[4] [NTD: To be updated.]

Contracts, the Auction, the Auction Cancellation Notice, the Sale Hearing, and the Sale required by the Bidding Procedures Order. The notices described in this Section III were good, sufficient, and appropriate under the circumstances, and no other or further notice of the Private Sale Motion, the assumption and assignment of the Assumed Contracts, the Auction, the Auction Cancellation Notice, the Sale Hearing, or the Sale is required.

K. The disclosures made by the Debtors concerning the Private Sale Motion, the Bidding Procedures, the Purchase Agreement, the assumption and assignment of the Assumed Contracts, the cancellation of the Auction, the Sale, and the Sale Hearing, were good, complete, and adequate.

L. A reasonable opportunity to object and be heard regarding the relief provided in this Sale Order was afforded to all parties in interest.

IV. Good Faith of the Buyer and Sellers

M. The Purchase Agreement, including, for the avoidance of doubt, all amendments thereto, was negotiated, proposed, and entered into by and among the Sellers and the Buyer, including their respective boards of directors or equivalent governing bodies, officers, directors, employees, agents, professionals, and representatives, without collusion, in good faith, and from arm's-length bargaining positions. When the Buyer and the Sellers entered into the Purchase Agreement on September 16, 2025—three (3) business days prior to the deadline to submit qualified bids—the revised terms of which included a material increase to the Purchase Price in addition to a credit bid of substantially all of the Debtors' prepetition secured indebtedness and the assumption of certain other material obligations owed by the Debtors, (1) the Buyer did not act improperly in negotiating for the termination of the marketing and sale process and cancellation of the auction, and (2) the Debtors acted with sound business judgment in agreeing to and

implementing such terms. The Buyer is purchasing the Acquired Assets in good faith and is a good faith purchaser within the meaning of section 363(m) of the Bankruptcy Code, in that among other things: (i) the Buyer's Stalking Horse Bid was subject to a marketing process in a timeframe approved by the Court through the Bidding Procedures Order; (ii) the Debtors conducted the marketing process, including in consultation with the Committee; (iii) except as set forth in the Purchase Agreement, the Buyer did not attempt to limit the Debtors' freedom to deal with any other party interested in acquiring the Acquired Assets; and (iv) all payments to be made by the Buyer and other agreements or arrangements entered into by the Buyer in connection with the Sale have been publicly disclosed. There is no evidence of insider influence or improper conduct by the Buyer in connection with the negotiation of the Purchase Agreement with the Debtors, no evidence of fraud, collusion, or bad faith on the part of the Buyer, no evidence of the Buyer doing anything to control or otherwise influence the marketing or sale process, including anything to control or otherwise influence the Purchase Price paid for the Acquired Assets, and no evidence that the Buyer violated section 363(n) of the Bankruptcy Code. Neither the Buyer nor any of its Affiliates is an "insider" of any Debtor (as defined under section 101(31) of the Bankruptcy Code). Accordingly, the Buyer (including all Affiliates or designees) is entitled to the full protections of section 363(m) of the Bankruptcy Code.

N. The Purchase Agreement and the transactions contemplated thereby cannot be avoided under section 363(n) of the Bankruptcy Code. The Sellers, the Buyer, and the Buyer's agents, representatives, and affiliates have not engaged in any conduct that would cause or permit the Purchase Agreement or the consummation of the transactions contemplated thereby to be avoided, or costs or damages to be imposed, under section 363(n) of the Bankruptcy Code.

O. Prior to the Petition Date, the Debtors were the subject of investigations concerning alleged human trafficking and undocumented labor practices and certain past officers of the Debtors were indicted in connection with related conduct (the "Criminal Matter").[5] The Court finds and determines that the Buyer is not, and shall not be deemed, a successor, alter ego, or mere continuation of the Debtors with respect to the alleged Criminal Matters and that the Buyer did not participate in, benefit from, direct, or control any of the alleged pre-Closing conduct giving rise to the alleged Criminal Matters.

P. As demonstrated by (i) any testimony and other evidence proffered or adduced at the Sale Hearing, and (ii) the representations of counsel made on the record at the Sale Hearing, substantial marketing efforts and a competitive sale process were conducted and, among other things: (a) the Debtors and the Buyer complied in substantial part with the provisions in the Bidding Procedures Order; (b) in lieu of subjecting its bid to the Auction, the Buyer agreed to a material increase of the Purchase Price that the Debtors and their professionals believe is substantially higher than any other qualified bid they would have received based on all of the information available to the Debtors after conducting both a prepetition and postpetition marketing process of the Debtors' assets; and (c) the Buyer in no way improperly induced or caused the chapter 11 filing by the Debtors.

V. Highest and Best Offer

Q. The Debtors' marketing and sale process, including the Debtors' prepetition marketing process, with respect to the Acquired Assets, afforded a full, fair, and reasonable

[5] As of the date hereof, the Debtors are not aware of any pending criminal investigations or claims against them, deny any such allegations and reserve all rights and defenses with respect thereto.

opportunity for any person or entity to make a higher or otherwise better offer to purchase the Acquired Assets.

R. As set forth more fully in the *Final Order (A) Granting Debtors' Motion for (1) Authority to Incur Post-Petition Secured Indebtedness, (2) Authority to Grant Superpriority Status Pursuant to 11 U.S.C. § 364(c), and (3) Authority to Grant Priming Liens Pursuant to 11 U.S.C. § 364(d), (B) Authorizing Postpetition Use of Cash Collateral and Granting Adequate Protection, (c) Modifying the Automatic Stay, and (D) Granting Related Relief* [D.I. 134] (the "Final DIP Order"), the Court finds and determines that the Prepetition Obligations constitute legal, valid, binding, enforceable, and unavoidable obligations of the Debtors, which are not subject to any challenge, counterclaim, defense, offset, or reduction of any kind, and are secured by valid, binding, enforceable, unavoidable, and properly perfected liens and security interests in the Prepetition Collateral, which are not subject to any challenge or avoidance. The Prepetition Obligations constitute allowed secured claims under section 502(a) of the Bankruptcy Code, and are authorized to be credit bid pursuant to section 363(k) of the Bankruptcy Code.

S. The Debtors implemented the Bidding Procedures and cancelled the Auction in accordance with the provisions of the Bidding Procedures Order and pursuant to the terms of the Purchase Agreement, and the Debtors have otherwise complied with the Bidding Procedures Order in all respects. Such process was duly noticed and conducted in a non-collusive, fair, and good faith manner, in consultation with the Committee, and a reasonable opportunity has been given to any interested party to make a higher and better offer for the Acquired Assets.

T. The Purchase Agreement represents a fair and reasonable offer to purchase the Acquired Assets under the circumstances of the Chapter 11 Cases. The consideration provided by the Buyer under the Purchase Agreement, including the assumption of the Assumed Liabilities, is

fair and adequate, represents the highest or otherwise best available offer, including by providing the highest economic value available to the Debtors' estates, and will provide a greater recovery for the Debtors' estates than would be provided by any other available alternative. Accordingly, the Purchase Agreement constitutes the highest and best offer for the Acquired Assets and a valid, reasonable, and sound exercise of the Debtors' business judgment consistent with their fiduciary duties.

U. Approval of the Private Sale Motion and the Purchase Agreement and the consummation of the Sale contemplated thereby is in the best interests of the Debtors, their creditors, their estates, and other parties in interest.

VI. No *Sub Rosa* or *De Facto* Plan

V. Good and sufficient reasons for approval of the Purchase Agreement and the transactions to be consummated in connection therewith have been articulated, and the relief requested in the Private Sale Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest. The Debtors have demonstrated compelling circumstances and good, sufficient, and sound business purposes and justifications for the Sale outside the ordinary course of business, pursuant to section 363(b) of the Bankruptcy Code, before, and outside of, a plan of reorganization, in that, among other things, the immediate consummation of the Sale with the Buyer is necessary and appropriate to maximize the value of the Debtors' estates, and the Sale will provide the means for the Debtors to maximize distributions to creditors.

W. The Sale does not constitute a *sub rosa* or *de facto* plan of reorganization or liquidation as it does not propose to (i) impair or restructure existing debt of, or equity interests in, the Debtors, (ii) impair or circumvent voting rights with respect to any plan that may be proposed by the Debtors, (iii) circumvent chapter 11 safeguards, such as those set forth in sections 1125 and

1129 of the Bankruptcy Code, or (iv) classify claims or equity interests or extend debt maturities. Accordingly, the Sale neither impermissibly restructures the rights of the Debtors' creditors nor impermissibly dictates the terms of a liquidating chapter 11 plan for the Debtors.

VII. Successor Liability Matters

X. By virtue of the consummation of the Sale, (i) the Buyer is not a continuation of the Debtors or their respective estates, there is no continuity between the Buyer and the Debtors, there is no common identity between the Buyer and the Debtors, and there is no continuity of enterprise between the Buyer and the Debtors, (ii) the Buyer is not holding itself out to the public as a continuation of the Debtors or their respective estates, and (iii) the Sale does not amount to a consolidation, merger, or *de facto* consolidation or merger of the Buyer and any of the Debtors and the Debtors' respective estates.

Y. The Buyer is not, and shall not be considered, a successor to the Debtors or their respective estates by reason of any theory of law or equity, including, but not limited to, under any federal, state or local statute or common law, or revenue, pension, ERISA, tax, labor, employment, environmental, escheat or unclaimed property laws, or other law, rule or regulation (including, without limitation, filing requirements under any such laws, rules, or regulations), or under any products liability law or doctrine with respect to the Debtors' liability under such law, rule or regulation or doctrine or common law, or under any product warranty liability law or doctrine with respect to the Debtors' liability under such law, rule or regulation or doctrine, and the Buyer and its affiliates shall have no liability or obligation under the Worker Adjustment and Retraining Act (the "WARN Act"), 929 U.S.C. §§ 210 et seq. and shall not be deemed to be a "successor employer" for purposes of the Internal Revenue Code of 1986, Title VII of the Civil Rights Act of 1964, as amended, the Age Discrimination in Employment Act, the Americans with Disability

Act, the Family Medical Leave Act, the National Labor Relations Act, the Labor Management Relations Act, the Older Workers Benefit Protection Act, the Equal Pay Act, the Civil Rights Act of 1866 (42 U.S.C. § 1981), the Employee Retirement Income Security Act, the Multiemployer Pension Protection Act, the Pension Protection Act, and/or the Fair Labor Standards Act; the Buyer is not a continuation or substantial continuation of any of the Debtors or their respective estates, business or operations or any enterprise of the Debtors; the Buyer does not have a common identity of incorporators, directors or equity holders with the Debtors; and the Sale does not amount to a consolidation, merger, or *de facto* merger of the Buyer and the Debtors or their respective estates. Accordingly, the Buyer is not and shall not be deemed a successor to any of the Debtors or their respective estates as a result of the consummation of the Sale pursuant to the Purchase Agreement and this Sale Order. Without limiting the foregoing, the Buyer shall not have, and shall not be deemed to have, any liability, responsibility, or obligation, whether as a successor, transferee, derivative, vicarious, alter-ego, or otherwise, for: (a) any criminal acts or omissions of the Debtors or any of their current or former officers, directors, managers, employees, agents, or equity holders; (b) any criminal fines, penalties, assessments, forfeitures, restitution, or similar criminal monetary obligations; or (c) any debarment, suspension, exclusion, or similar administrative remedies, in each case arising out of or relating to the Debtors' pre-Closing conduct, including without limitation any conduct alleged in the Criminal Matters.

VIII. No Fraudulent Transfer; Validity of Transfer

Z. The Purchase Agreement was not entered into by the Buyer and the Debtors for the purpose of hindering, delaying, or defrauding creditors under either the Bankruptcy Code or the other laws of the United States, or the laws of any state, territory, possession, or the District of Columbia (including, without limitation, the Uniform Fraudulent Conveyance Act, the Uniform

Fraudulent Transfer Act, and the Uniform Voidable Transactions Act). Neither the Debtors nor the Buyer entered into the Purchase Agreement fraudulently, nor are they entering into or consummating the transactions contemplated by the Purchase Agreement fraudulently, including under applicable federal and state fraudulent conveyance and fraudulent transfer laws.

AA. The consideration provided by the Buyer pursuant to the Purchase Agreement, (i) was negotiated at arm's-length, (ii) is fair, adequate, and reasonable, (iii) is the highest or otherwise best offer for the Acquired Assets, and (iv) constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and under the other laws of the United States, and the laws of any state, territory, possession, or the District of Columbia (including, without limitation, the Uniform Fraudulent Conveyance Act, Uniform Fraudulent Transfer Act and the Uniform Voidable Transactions Act). No other person or entity or group of entities has offered to purchase the Acquired Assets for greater economic value to the Debtors' estates than the Buyer. For the purposes of statutory and common law fraudulent conveyance and fraudulent transfer claims, neither the Sellers nor the Buyer are entering into or consummating the transactions contemplated by the Purchase Agreement with (i) fraudulent intent, (ii) an intent to hinder, delay, or defraud any Person, or (iii) any other improper purpose. Approval of the Private Sale Motion, the Purchase Agreement, the Sale, and the consummation of the transactions contemplated thereby is in the best interests of the Debtors, their estates, their creditors, and all other parties in interest.

BB. The Sellers are the sole and lawful owners of the Acquired Assets. The Acquired Assets constitute property of the Sellers' estates and title to the Acquired Assets is vested in the Sellers' estate within the meaning of section 541(a) of the Bankruptcy Code. The Sellers and the Buyer have full corporate power and authority to execute, deliver, and perform the Purchase Agreement and all other documents contemplated thereby, and no further consents or approvals

are required for the Sellers or the Buyer to consummate the transactions contemplated by the Purchase Agreement or the other documents contemplated thereby, except as otherwise set forth in the Purchase Agreement or such other documents.

CC. Subject to section 363(f) of the Bankruptcy Code, the transfer of each of the Acquired Assets to the Buyer will be, as of the Closing Date, a legal, valid, and effective transfer of the Acquired Assets, which transfer vests or will vest the Buyer with all right, title, and interest of the Debtors in, to, and under the Acquired Assets free and clear of (i) all Liens (as defined in the Purchase Agreement) and other liens (including any liens as that term is defined in section 101(37) of the Bankruptcy Code), interests, and encumbrances of any kind or nature relating to, accruing, or arising at any time prior to the Closing Date (collectively, as defined in this clause (i), the "Liens"), other than Permitted Liens, and (ii) all debts arising under, relating to, or in connection with any act of the Debtors, claims (as that term is defined in section 101(5) of the Bankruptcy Code) or causes of action, liabilities, obligations, demands, guaranties, options in favor of third parties, rights, easements, servitudes, restrictive covenants, encroachments, contractual commitments, restrictions, interests, mortgages, hypothecations, charges, indentures, loan agreements, instruments, collective bargaining agreements, leases, subleases, licenses, deeds of trust, security interests, conditional sale or other title retention agreements, pledges, judgments, claims for reimbursement, contribution, indemnity, exoneration, infringement, products liability, derivative and vicarious liability, alter-ego, environmental, or tax decrees of any court or foreign or domestic governmental entity, or any other matters of any kind or nature, whether arising prior to or subsequent to the commencement of the Chapter 11 Cases, and whether imposed by agreement, understanding, law, equity, or otherwise, known or unknown, contingent or matured, liquidated or unliquidated, and all rights and remedies with respect thereto (a) that purport to give

to any party a right of setoff against, or a right or option to effect any forfeiture, modification, profit sharing interest, right of first refusal, purchase or repurchase right or option, or termination of, any of the Debtors' or the Buyer's interests in the Acquired Assets, or any similar rights, or (b) in respect of taxes, restrictions, rights of first refusal, charges of interests of any kind or nature, if any, including without limitation, any restriction of use, voting, transfer, receipt of income or other exercise of any attributes of ownership (collectively, as defined in this clause (ii), the "Claims"), relating to, accruing or arising at any time prior to entry of this Sale Order, other than Assumed Liabilities, including amounts necessary under sections 365(b)(1)(A) and (B) and 365(f)(2)(A) of the Bankruptcy Code to cure all defaults and pay all actual pecuniary losses under the Assumed Contracts (the "Cure Amounts") or any other obligations arising under the Assumed Contracts to the extent set forth in the Purchase Agreement or this Sale Order. For the avoidance of doubt, the Acquired Assets shall be transferred to the Buyer free and clear of all Liens and Claims (other than Permitted Liens and Assumed Liabilities), including any interest, right, or claim in the nature of criminal fines, penalties, restitution, forfeiture, disgorgement, or similar monetary obligations, whether arising under federal, state, or local criminal or quasi-criminal laws, to the maximum extent permitted by applicable law.

IX. Section 363(f) Is Satisfied

DD. The conditions of section 363(f) of the Bankruptcy Code have been satisfied in full. Therefore, the Sellers may sell the Acquired Assets free and clear of any interests in the Acquired Assets. The Buyer would not have entered into the Purchase Agreement and would not consummate the transactions contemplated thereby if the sale of the Acquired Assets to the Buyer and the assumption, assignment, and sale of the Assumed Contracts to the Buyer were not, except as otherwise provided in the Purchase Agreement with respect to the Assumed Liabilities and

Permitted Liens, free and clear of all Claims and Liens of any kind or nature whatsoever of the Debtors, or if the Buyer would, or in the future could (except and only to the extent expressly provided in the Purchase Agreement and with respect to the Assumed Liabilities and Permitted Liens), be liable for any of such Claims and Liens, including, but not limited to, Claims and Liens in respect of the following: (i) all mortgages, deeds of trust, and security interests; (ii) any pension, welfare, compensation, or other employee benefit plans, agreements, practices, and programs, including, without limitation, any pension plan of the Debtors; (iii) any other employee, worker's compensation, occupational disease, unemployment, visa or sponsorship-related claim, or temporary disability related claim, including, without limitation, claims that might otherwise arise under or pursuant to (a) the Employee Retirement Income Security Act of 1974, as amended, (b) the Fair Labor Standards Act, (c) Title VII of the Civil Rights Act of 1964, (d) the Federal Rehabilitation Act of 1973, (e) the National Labor Relations Act, (f) the WARN Act, (g) the Age Discrimination and Employee Act of 1967 and Age Discrimination in Employment Act, as amended, (h) the Americans with Disabilities Act of 1990, (i) the Consolidated Omnibus Budget Reconciliation Act of 1985, (j) state discrimination laws, (k) state unemployment compensation laws or any other similar state laws, or (l) any other state or federal benefits or claims relating to any employment with the Debtors or any of their predecessors; (iv) any bulk sales or similar law to the maximum extent permitted by Law; (v) any tax statutes or ordinances, including, without limitation, the Internal Revenue Code of 1986, as amended; (vi) any environmental laws, including any Environmental, Health and Safety Requirement(s); and (vii) any theories of successor or transferee liability. Nothing herein shall be construed to release, enjoin, impair, or otherwise restrict any Governmental Unit's police or regulatory powers, including any criminal enforcement or prosecution against the Debtors or any non-debtor individual; *provided, however*, that no such

action shall impose, or be construed to impose, any liability upon the Buyer, its Affiliates, successors, assigns, or the Acquired Assets for criminal fines, penalties, restitution, forfeiture, or other criminal liabilities arising from the Debtors' pre-Closing conduct, nor shall any such action seek to revoke, terminate, or refuse to renew licenses or permits of the Buyer based solely on the Debtors' pre-Closing conduct.

EE. The Sellers may sell the Acquired Assets free and clear of all Claims and Liens against the Debtors, their estates, or any of the Acquired Assets (except for any Assumed Liabilities and Permitted Liens under the Purchase Agreement) because, in each case, one or more of the standards set forth in section 363(f)(1)-(5) of the Bankruptcy Code has been satisfied. Holders of such Claims or Liens fall within one or more of the other subsections of section 363(f) of the Bankruptcy Code and are adequately protected by having their Claims or Liens attach to the net cash proceeds of the Sale, if any, ultimately attributable to the Acquired Assets in which such creditor or interest holder alleges an interest, in the same order of priority, with the same validity, force and effect that such creditor or interest holder had prior to the Sale, subject to any claims and defenses the Sellers and their estate may possess with respect thereto. Those holders of Claims or Liens against or in the Debtors, their estates, or any of the Acquired Assets who did not object, who withdrew their objection, or whose objection was overruled, to the Sale or the Private Sale Motion are deemed to have consented pursuant to section 363(f)(2) of the Bankruptcy Code.

FF. The injunction set forth in this Sale Order against creditors and third parties pursuing Claims against or Liens on the Acquired Assets is necessary to induce the Buyer to close the Sale, and the issuance of such injunctive relief is therefore necessary to avoid irreparable injury to the Debtors' estates and will benefit the Debtors' creditors.

X. Assumption and Assignment of the Assumed Contracts

GG. The Cure Amounts set forth on **Exhibit B** annexed hereto are the sole and entire amounts necessary under sections 365(b)(1)(A) and (B) and 365(f)(2)(A) of the Bankruptcy Code to cure all monetary defaults and pay all actual pecuniary losses under the Assumed Contracts, which Cure Amounts, in accordance with the Purchase Agreement, shall be paid (i) by the Buyer, in an aggregate amount not to exceed the Cure Amounts Cap, and (ii) by the Seller, to the extent of any Cure Amounts in excess of the Cure Amounts Cap, in each case on the Assumption Effective Date.

HH. Each provision of the Assumed Contracts to be assigned to the Buyer that purports to prohibit, restrict or condition, or could be construed as prohibiting, restricting or conditioning, assignment of any Assumed Contracts to be assigned to the Buyer, or any applicable non-bankruptcy law that purports to prohibit, restrict or condition, or could be construed as prohibiting, restricting or conditioning, assignment of any Assumed Contracts to be assigned to the Buyer, has been satisfied or is otherwise unenforceable under Bankruptcy Code section 365.

II. Assumption and assignment of any Assumed Contract to be assigned to the Buyer pursuant to this Sale Order and the Purchase Agreement and full payment of any applicable Cure Amount in accordance with the Purchase Agreement shall result in the full release and satisfaction of any and all cures, claims, or defaults, whether monetary or nonmonetary, including defaults of provisions restricting change in control or ownership interest composition or other bankruptcy-related defaults, arising under any Assumed Contract at any time prior to the Closing Date.

JJ. The Sellers have proven and demonstrated that it is an exercise of their sound business judgment to assume and assign the Assumed Contracts to the Buyer in connection with the consummation of the Sale, and the assumption and assignment of the Assumed Contracts to

the Buyer is in the best interests of the Debtors, their estates, creditors, interest holders, and all parties-in-interest. The Assumed Contracts being assigned to the Buyer are an integral part of the Acquired Assets being purchased by the Buyer, and accordingly, such assumption and assignment of such Assumed Contracts is reasonable and enhances the value of the Debtors' estates.

KK. Pursuant to section 365 of the Bankruptcy Code, the Debtors have demonstrated that assuming all Assumed Contracts and assigning such Assumed Contracts to the Buyer is appropriate; *provided, however*, that nothing herein shall modify the Buyer's rights in respect of designating Assumed Contracts as set forth in the Purchase Agreement.

LL. Upon the consummation of the transactions set forth in the Purchase Agreement, the Buyer and Seller, as applicable, shall be deemed to have: (i) cured and provided adequate assurance of cure of any defaults existing before the Closing Date under any of the Assumed Contracts, within the meaning of section 365(b)(1)(A) of the Bankruptcy Code; and (ii) provided compensation or adequate assurance of compensation to any party for actual pecuniary loss to such party resulting from a default prior to the Closing Date under any of the Assumed Contracts, within the meaning of section 365(b)(1)(B) of the Bankruptcy Code. After payment of the relevant Cure Amounts by the Buyer and the Sellers as set forth in the Purchase Agreement and this Sale Order, the Debtors shall not have any further liabilities to the Contract Counterparties on or after the Closing Date. The Buyer has demonstrated adequate assurance of its future performance under the relevant Assumed Contracts within the meaning of sections 365(b)(1)(C), 365(b)(3) (to the extent applicable) and 365(f)(2)(B) of the Bankruptcy Code. Any non-Debtor counterparty to an Assumed Contract who did not timely file an objection to the assumption of its Assumed Contract shall be deemed to have consented to its assumption and assignment to the Buyer pursuant to section 365 of the Bankruptcy Code in accordance with the Purchase Agreement.

MM. No default exists in the Sellers' performance under the Assumed Contracts as of the Closing Date other than the failure to pay Cure Amounts or defaults that are not required to be cured as contemplated in section 365(b)(1)(A) of the Bankruptcy Code.

XI. Compelling Circumstances for an Immediate Sale

NN. Good and sufficient reasons for approval of the Purchase Agreement and the Sale have been articulated. The relief requested in the Private Sale Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest. To maximize the value of the Debtors' assets and preserve the viability of the business to which the Acquired Assets relate, it is essential that the Sale be approved and occur promptly within the time constraints set forth in the Purchase Agreement. Time is of the essence in effectuating the Purchase Agreement and consummating the Sale, both to preserve and maximize the value of the Debtors' assets for the benefit of the Debtors, their estates, their creditors, interest holders, and all other parties in interest in the Chapter 11 Cases and to provide the means for the Debtors to maximize creditor and interest holder recoveries. As such, the Debtors and the Buyer intend to close the Sale of the Acquired Assets as soon as reasonably practicable. The Debtors have demonstrated both compelling circumstances and a good, sufficient, and sound business purpose and justification for immediate approval and consummation of the Purchase Agreement.

OO. The consummation of the transactions set forth in the Purchase Agreement and the assumption and assignment of the Assumed Contracts are legal, valid, and properly authorized under all applicable provisions of the Bankruptcy Code, including, without limitation, sections 105(a), 363(b), 363(f), 363(m), 365(b) and 365(f), and all of the applicable requirements of such sections have been complied with in respect of such transactions.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

General Provisions

1. 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 the Chapter 11 Cases pursuant to Bankruptcy Rule 9014. To the extent that any findings of fact constitute conclusions of law, they are adopted as such. To the extent any conclusions of law constitute findings of fact, they are adopted as such. Any findings of fact or conclusions of law stated by the Court on the record at the Sale Hearing are hereby incorporated.

2. The relief requested in the Private Sale Motion is GRANTED and the transactions contemplated thereby and by the Purchase Agreement are APPROVED for the reasons set forth in this Sale Order and on the record of the Sale Hearing, which is incorporated fully herein as if fully set forth in this Sale Order, and the Sale contemplated by the Purchase Agreement is APPROVED.

3. All objections, statements, and reservations of rights to the Private Sale Motion and the relief requested therein and to the entry of this Sale Order or the relief granted herein, that have not been withdrawn, waived, adjourned, settled as announced to the Court at any prior hearing, at the Sale Hearing, or by stipulation filed with the Court, or previously overruled, including, without limitation, all reservations of rights included therein or otherwise, are hereby overruled and denied on the merits with prejudice, except as expressly set forth herein. Those parties who did not object, or withdrew their objections to the Private Sale Motion and the Sale, are deemed to have consented to the Sale pursuant to section 363(f)(2) of the Bankruptcy Code.

4. This Court's findings of fact and conclusions of law set forth in the Bidding Procedures Order are incorporated herein by reference.

Approval of the Purchase Agreement

5. The Purchase Agreement and all other ancillary documents, and all of the respective terms and conditions thereof, the Sale contemplated thereby, and the Purchase Price are hereby approved. The Sellers are authorized to enter into the Purchase Agreement and all other ancillary documents to be executed in connection with the Purchase Agreement as may be necessary.

6. Pursuant to sections 363 and 365 of the Bankruptcy Code, entry by the Sellers into the Purchase Agreement is hereby authorized and approved. The Sellers and the Buyer, acting by and through their respective existing agents, representatives, and officers, are authorized, empowered and directed, without further order of this Court, to use their reasonable best efforts to take any and all actions necessary or appropriate to (a) consummate and close the Sale in accordance with the terms and conditions of the Purchase Agreement and this Sale Order, (b) transfer and assign all rights, title, and interest to all assets, property, licenses, and rights of the Sellers to be conveyed in accordance with the terms and conditions of the Purchase Agreement, and (c) execute and deliver, perform under, consummate, implement, and close fully the Purchase Agreement, including the assumption and assignment to the Buyer of the Assumed Contracts, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the Purchase Agreement and the Sale, including the Transition Services Agreement and any other ancillary documents, or as may be reasonably necessary or appropriate to the performance of the obligations as contemplated by the Purchase Agreement, this Sale Order, and such other ancillary documents, including any actions that otherwise would require further approval by shareholders, members, or their boards of directors, as the case may be, without the need to obtain such approvals. The Sellers are hereby authorized to perform their covenants and undertakings as provided in the Purchase Agreement and any ancillary documents before or after

the Closing Date without further order of the Court. Neither the Buyer nor the Sellers shall have any obligation to proceed with the Closing under the Purchase Agreement until all conditions precedent to their obligations to do so have been met, satisfied, or waived, except as otherwise contemplated and provided for in the Purchase Agreement and this Sale Order.

7. This Sale Order and the Purchase Agreement shall be binding in all respects upon the Debtors, including the Debtors' estates, all holders of equity interests in any Debtor, all holders of Claims or Liens (whether known or unknown) against any Debtor, including the Committee, any holders of Claims or Liens against or on all or any portion of the Acquired Assets, all Contract Counterparties, the Buyer and all successors and assigns of the Buyer, the Acquired Assets, all successors and assigns of the Debtors, and any subsequent trustees appointed in any of the Chapter 11 Cases or upon a conversion to chapter 7 under the Bankruptcy Code of any of the Chapter 11 Cases, and shall not be subject to rejection, avoidance, or unwinding. This Sale Order and the Purchase Agreement shall inure to the benefit of the Debtors, their estates, their creditors, the Buyer and their respective successors and assigns. Nothing in any chapter 11 plan confirmed in the Chapter 11 Cases, the confirmation order confirming any such chapter 11 plan, any order approving the wind down or dismissal of the Chapter 11 Cases, or any order entered upon the conversion of the Chapter 11 Cases to one or more cases under chapter 7 of the Bankruptcy Code or otherwise shall alter, impair, amend, reject, discharge, conflict with, or derogate from, the Purchase Agreement or this Sale Order.

Transfer of the Acquired Assets

8. Pursuant to sections 105(a), 363(b), 363(f), 365(b) and 365(f) of the Bankruptcy Code, and to the fullest extent permitted under applicable law, the Sellers are authorized and directed to transfer the Acquired Assets to the Buyer on the Closing Date free and clear of all

Claims and Liens except for Assumed Liabilities and Permitted Liens. The transfer of the Acquired Assets to the Buyer under the Purchase Agreement does not require any consents other than as specifically provided for in the Purchase Agreement. The transfer of the Sellers' rights, title, and interest in the Acquired Assets to the Buyer pursuant to the Purchase Agreement and this Sale Order shall be deemed transferred to the Buyer upon and as of the Closing Date, and such transfer of the Acquired Assets and the consummation of the Sale and any related actions contemplated thereby constitute a legal, valid, binding, and effective transfer of the Sellers' right, title, and interest in the Acquired Assets and shall vest the Buyer with all the rights, title and interest of the Sellers in and to the Acquired Assets as set forth in the Purchase Agreement, free and clear of all Claims and Liens (except Assumed Liabilities and Permitted Liens). Upon the Closing, the Buyer shall take title to and possession of the Acquired Assets subject only to the Assumed Liabilities and Permitted Liens and shall be authorized to freely own and operate the Acquired Assets. Pursuant to section 363(f) of the Bankruptcy Code, the transfer of title to the Acquired Assets and the Assumed Contracts shall be free and clear of all Claims and Liens including, without limitation, all Claims pursuant to any successor or successor-in-interest liability theory, except for Assumed Liabilities and Permitted Liens. Pursuant to sections 105(a) and 363(f) of the Bankruptcy Code, and to the fullest extent permitted by law, the Acquired Assets are transferred to the Buyer free and clear of any and all criminal fines, penalties, restitution obligations, forfeiture interests, or other criminal liabilities or remedies that are based on or arise from the Debtors' pre-Closing conduct, whether asserted or unasserted, known or unknown, fixed or contingent, and whether arising before or after the Petition Date;

9. On the Closing Date, this Sale Order shall be construed and shall constitute for any and all purposes a full and complete general assignment, conveyance, and transfer of all of the

Sellers' rights, title, and interest in the Acquired Assets or a bill of sale transferring good and marketable title in such Acquired Assets to the Buyer on the Closing Date pursuant to the terms of the Purchase Agreement and this Sale Order, free and clear of all Claims and Liens (other than Assumed Liabilities and Permitted Liens). For the avoidance of doubt, the Excluded Assets set forth in the Purchase Agreement and herein are not included in the Acquired Assets, and the Excluded Liabilities set forth in the Purchase Agreement and herein are not Assumed Liabilities.

10. The Buyer shall be authorized, as of the Closing Date, to operate under any grant, license, permit, registration, and governmental authorization (collectively, "Licenses") or approval of the Sellers constituting Acquired Assets, and all such Licenses and approvals are deemed to have been, and hereby are, directed to be transferred to the Buyer as of the Closing Date as provided by the Purchase Agreement. To the extent any such Licenses are not an assumable and assignable executory contract, the Buyer shall make reasonable efforts to apply for and obtain such Licenses promptly as of the Closing Date, and the Debtors shall cooperate reasonably with the Buyer in those efforts. To the extent provided by section 525 of the Bankruptcy Code, no Governmental Unit may revoke or suspend any such Licenses relating to the operation of the Acquired Assets sold, transferred, assigned, or conveyed to the Buyer on account of the filing or pendency of the Chapter 11 Cases or the consummation of the Sale. No Governmental Unit shall revoke, suspend, terminate, fail or refuse to renew, or condition any License, permit, registration, authorization, or approval held by the Buyer (or sought by the Buyer post-Closing) solely on the basis of the Debtors' alleged pre-Closing conduct in the Criminal Matters.

11. Except with respect to Assumed Liabilities and Permitted Liens, all persons and entities holding Claims against the Debtors or Claims or Liens in all or any portion of the Acquired Assets arising under or out of, in connection with or in any way relating to the Debtors, the

Acquired Assets, the operation of the Debtors' business prior to the Closing Date, the transfer of the Acquired Assets to the Buyer, or otherwise, are hereby forever barred, estopped, and permanently enjoined from asserting against the Buyer, its affiliates, successors or assigns, their property, or the Acquired Assets such persons' or entities' Claims against the Debtors or Claims or Liens in and to the Acquired Assets. On and after the Closing Date, each creditor is authorized and directed to execute such documents and take all other actions as may be deemed by the Buyer to be necessary or desirable to evidence the release of Claims or Liens, if any, as provided for herein, as such Claim or Lien may have been recorded or may otherwise exist.

12. All persons and entities that are presently, or on the Closing Date may be, in possession of some or all of the Acquired Assets to be sold, transferred, or conveyed (wherever located) to the Buyer pursuant to the Purchase Agreement are hereby directed to surrender possession of such Acquired Assets to the Buyer on the Closing Date. To the extent that any such person or entity fails or refuses to surrender possession of such Acquired Assets on or after the Closing Date, the Buyer has the right to commence a turnover action and have it considered on an expedited basis. All persons are hereby forever prohibited and enjoined from taking any action that would adversely affect or interfere with, or which would be inconsistent with, the ability of the Sellers to sell and transfer any or all of the Acquired Assets to the Buyer, or the ability of the Buyer to take title and possession of any or all of the Acquired Assets, in accordance with the terms of the Purchase Agreement and this Sale Order.

13. This Sale Order is and shall be effective as a determination that, as of the Closing Date, all Claims and Liens of any kind or nature whatsoever existing as to the Acquired Assets before the Closing, other than Assumed Liabilities and Permitted Liens, or as otherwise provided in this Sale Order, shall have been unconditionally released, discharged, and terminated.

Moreover, this Sale Order is and shall be effective as a determination that, as of the Closing Date, the conveyances described herein have been affected, with all such Claims and Liens to attach to any net proceeds received by the Sellers ultimately attributable to the Acquired Assets against, or in, which such Claims or Liens are asserted, subject to the terms thereof, with the same validity, force, and effect, and in the same order of priority, which such Claims or Liens now have against the Acquired Assets, subject to any rights, claims, and defenses that the Sellers and their estates, as applicable, may possess with respect thereto.

14. This Sale 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 and directed to accept for filing any and all of the documents and instruments necessary and appropriate to consummate the transactions contemplated by the Purchase Agreement.

15. Each and every federal, state, and local governmental agency or department is hereby authorized to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the Purchase Agreement. A certified copy of this Sale Order may be: (a) filed with the appropriate clerk; (b) recorded with the recorder; or (c) filed or recorded with any other governmental agency to act to cancel any of the Claims, Liens, and other encumbrances of record.

16. If any person or entity that has filed statements or other documents or agreements evidencing Claims or Liens in all or any portion of the Acquired Assets has not delivered to the Sellers prior to the Closing Date, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, releases of Liens and Claims and any other documents necessary or desirable to the Buyer for the purpose of documenting the release of all Claims and Liens (other than Assumed Liabilities or Permitted Liens), which the person or entity has or may assert with respect to all or any portion of the Acquired Assets, then the Buyer and the Debtors are hereby authorized to (i) execute and file such statements, instruments, releases and other documents in the name and on behalf of such person or entity with respect to the Acquired Assets or (ii) file, register, or otherwise record a certified copy of this Sale Order, which, once filed, registered, or otherwise recorded, will constitute conclusive evidence of the release of all Liens or Claims in the Acquired Assets of any kind or nature; *provided that*, notwithstanding anything in this Sale Order or the Purchase Agreement to the contrary, the provisions of this Sale Order shall be self-executing, and neither the Debtors nor the Buyer shall be required to execute or file releases termination statements, assignments, consents, or other instruments in order to effectuate, consummate, and implement the provisions of this Sale Order.

Prepetition Obligations; DIP Obligations; Challenge Period[6]

17. Notwithstanding anything to the contrary in this Sale Order or the Purchase Agreement, the Buyer may extend the Closing Date if, prior to the expiration of the Challenge Period (as defined in the Final DIP Order and as may be extended by stipulation or order of the Court), the Committee or any other party in interest files a challenge or adversary proceeding with respect to the Prepetition Obligations, the Prepetition Liens, the obligations owing under the AHF

[6] Capitalized terms used in Paragraphs 17-20 and not otherwise defined in this Sale Order shall have the meanings ascribed to them in the Final DIP Order or in the DIP Credit Agreement (as defined in the Final DIP Order).

Inventory Agreement, or otherwise seeks to object to or challenge the validity, enforceability, priority, or amount of the Prepetition Obligations, the Prepetition Liens, or the obligations owing under the AHF Inventory Agreement.

18. The Credit Bid of the Prepetition Obligations and the obligations owing under the AHF Inventory Agreement, as set forth in the Purchase Agreement, is valid, proper, and authorized pursuant to sections 363(k) and 363(f) of the Bankruptcy Code, the Final DIP Order, and all other applicable law, and is not subject to any challenge, objection, or avoidance by any party, including, without limitation, the Debtors, the Committee, or any other party in interest. Upon the Closing of the Sale, the Challenge Period shall automatically expire and neither the Committee nor any other party in interest shall be permitted to assert any challenge in respect of the Prepetition Obligations, the Prepetition Liens, or the obligations owing under the AHF Inventory Agreement.

19. The proceeds of the Sale shall be used to fully satisfy the DIP Obligations in accordance with the Final DIP Order.

20. Without limitation to the other provisions of this Sale Order, at the Closing, the DIP Lender shall promptly execute such documents and take such other actions as may be reasonably necessary to release their Claims and Liens in and to the Acquired Assets as of the Closing that are transferred to the Buyer; *provided, however*, any failure to do so shall not in any way affect the validity of such transfer pursuant to this Sale Order.

Assumed Contracts

21. The Sellers are hereby authorized and directed in accordance with sections 105(a), 363, and 365 of the Bankruptcy Code to (a) assume and assign the Assumed Contracts to the Buyer free and clear of all Claims, Liens, and other interests of any kind or nature whatsoever (other than the Assumed Liabilities), subject to the terms of the Purchase Agreement and this Sale Order, as

of the Closing Date, (b) execute and deliver to the Buyer such documents or other instruments as the Buyer deems necessary to assign and transfer the Assumed Contracts to the Buyer in accordance with the Purchase Agreement, and (c) pay, in accordance with the Purchase Agreement, all applicable Cure Amounts that are in excess of the Cure Amounts Cap. The payment of the applicable Cure Amounts (if any) by the Buyer and the Sellers as set forth in the Purchase Agreement and this Sale Order shall (i) effect a cure of all defaults existing thereunder as of the Closing Date, (ii) compensate for any actual pecuniary loss to the applicable Contract Counterparty resulting from such default, and (iii) together with the assignment by the Sellers to and the assumption of the Assumed Contracts by the Buyer, constitute adequate assurance of future performance thereof.

22. On the Closing Date, the Sellers shall assume and assign to Buyer each Assumed Contract designated by Buyer for assumption and assignment on the Closing Date in accordance with the Purchase Agreement and this Sale Order, and which Assumed Contracts are set forth on **Exhibit B** attached hereto, subject to the provisions of Section 2.6 of the Purchase Agreement.

23. Pursuant to section 365(f) of the Bankruptcy Code, the assignment by the Sellers of the Assumed Contracts shall not be a default thereunder. Any provisions in any Assumed Contract that prohibit or condition the assignment of such Assumed Contract to the Buyer or allows the party to such Assumed Contract to terminate, recapture, impose any penalty, condition on renewal or extension, or modify any term or condition upon the assignment of such Assumed Contract to the Buyer, constitute anti-assignment provisions that are unenforceable and will have no force and effect solely with respect to assumption and assignment pursuant to this Sale Order or any subsequent assumption and assignment order. All other requirements and conditions under

sections 363 and 365 of the Bankruptcy Code for the assumption by the Sellers and assignment to the Buyer of the Assumed Contracts have been satisfied.

24. On the Closing Date, upon payment of the relevant Cure Amount, if any, in accordance with sections 363 and 365 of the Bankruptcy Code, the Buyer shall be fully and irrevocably vested with all right, title and interest of the Sellers under such Assumed Contracts. To the extent provided in the Purchase Agreement, the Debtors shall cooperate with and take all actions reasonably requested by the Buyer to effectuate the foregoing.

25. On the Closing Date, and the payment of the relevant Cure Amount, if any, the Assumed Contracts shall be deemed valid and binding and will remain in full force and effect (subject to any amendments agreed to between the counterparty to such Assumed Contract and the Buyer) in accordance with its terms, and no default shall exist under the Assumed Contracts and no counterparty to any Assumed Contract shall be permitted (a) to declare a default by the Buyer under such Assumed Contract, or (b) to otherwise take action against the Buyer as a result of any Debtors' financial condition, bankruptcy, or failure to perform any of its obligations under the relevant Assumed Contract.

26. Pursuant to sections 105(a), 363, and 365 of the Bankruptcy Code, other than the right to payment of any Cure Amount, all Contract Counterparties are forever barred and permanently enjoined from raising or asserting against either the Debtors or the Buyer any assignment fee, default, breach, Claim, pecuniary loss, or condition to assignment arising under or related to the Assumed Contracts existing as of the Closing Date or arising by reason of the Closing.

27. On the Closing Date, the Debtors shall be relieved, pursuant to sections 363 and 365(k) of the Bankruptcy Code, from any further liability under any Assumed Contract, and the

counterparties shall be estopped from asserting any and all Claims or Liens, whether known or unknown, against the Debtors on account of the Assumed Contract.

28. Any Contract Counterparty who did not timely file an objection to the assumption of its Assumed Contract shall be deemed to have consented to the Assumed Contract's assumption and assignment to the Buyer pursuant to section 365 of the Bankruptcy Code. All objections to the assumption and assignment of the Assumed Contracts that have not been withdrawn, waived, settled, or adjourned, as announced to the Court at the Sale Hearing or by stipulation filed with the Court, and all reservations of rights included in such objections or otherwise, are hereby denied and overruled on the merits with prejudice.

29. All non-Debtor counterparties to the Assumed Contracts shall cooperate and expeditiously execute and deliver, upon the reasonable request of the Buyer, any instruments, applications, consents, or other documents that may be required or requested by any public authority or other party or entity to effectuate the applicable transfers in connection with the sale of the Acquired Assets.

Other Provisions

30. The consideration provided by the Buyer for the Seller's rights, title, and interest in the Acquired Assets under the Purchase Agreement constitutes reasonably equivalent value and fair consideration for the Acquired Assets under the Bankruptcy Code, Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, Uniform Voidable Transactions Act, and other applicable law within the meaning of section 544(b) of the Bankruptcy Code, under the laws of the United States, any state, territory, possession, or the District of Columbia. The sale of the Acquired Assets may not be avoided, or costs or damages imposed or awarded under Bankruptcy Code section 363(n) or any other provision of the Bankruptcy Code, the Uniform Voidable

Transactions Act, the Uniform Fraudulent Transfer Act, the Uniform Fraudulent Conveyance Act, or any other similar federal, state, or foreign laws.

31. Effective upon the Closing Date, except as set forth in the Purchase Agreement with respect to Assumed Liabilities and Permitted Liens and this Sale Order, all persons and entities are forever prohibited and permanently enjoined from commencing or continuing in any manner any action or other proceeding, whether in law or equity, in any judicial, administrative, arbitral, or other proceeding against the Buyer, its affiliates, successors, and assigns, or the Acquired Assets, with respect to any (a) Claims and Liens arising under, out of, in connection with or in any way relating to the Debtors, the Buyer, the Acquired Assets, or the operation of the Acquired Assets prior to the Closing or (b) successor liability based, in whole or in part, directly or indirectly, on any theory of successor, derivative, or vicarious liability of any kind of character, or based upon any theory of antitrust, environmental, successor or transferee liability, *de facto* merger or substantial continuity, labor and employment, or products liability, whether known or unknown as of the Closing, now existing or hereafter arising, asserted or unasserted, fixed or contingent, or liquidated or unliquidated, including, without limitation, the following actions: (i) commencing or continuing in any manner any action or other proceeding against the Buyer, its successors or assigns, assets, or properties; (ii) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree, or order against the Buyer, its successors or assigns, assets, or properties; (iii) creating, perfecting, or enforcing any Claims or Liens against the Buyer, its successors or assigns, assets, or properties; (iv) asserting any setoff or right of subrogation of any kind against any obligation due to the Buyer or its successors or assigns; (v) commencing or continuing any action, in any manner or place, that does not comply or is inconsistent with the provisions of this Sale Order or other orders of the Court, or the agreements or actions contemplated or taken in

respect thereof; or (vi) revoking, terminating, or failing or refusing to renew any license, permit or authorization to operate any of the Acquired Assets or conduct any of the businesses operated with the Acquired Assets. For the avoidance of doubt, the foregoing injunction extends, to the maximum extent permitted by law, to any effort to collect, attach, perfect, enforce, or otherwise recover any criminal fines, penalties, restitution, forfeiture, or similar criminal monetary obligations allegedly arising from the Debtors' pre-Closing conduct from the Buyer or the Acquired Assets based on any theory of successor, transferee, derivative, or vicarious liability.

32. The transactions contemplated by the Purchase Agreement are undertaken by the Buyer without collusion and in good faith, as that term is defined in section 363(m) of the Bankruptcy Code, and accordingly, the reversal or modification on appeal of the authorization provided herein to consummate the Sale shall not affect the validity of the Sale (including the assumption and assignment of the Assumed Contracts), unless such authorization and such Sale are duly stayed pending such appeal. The Buyer is a good faith purchaser within the meaning of section 363(m) of the Bankruptcy Code and, as such, is entitled to the full protections of section 363(m) of the Bankruptcy Code.

33. The Buyer is not assuming, and shall not be deemed to assume, any criminal liabilities (to the extent such liabilities exists) of the Debtors, including any liability for criminal fines, penalties, restitution, forfeiture, disgorgement, assessments, or any debarment, suspension, exclusion, or similar administrative remedies, whether arising under federal, state, or local law, and whether arising prior to, on, or after the Closing, to the extent such liabilities relate to the Debtors' alleged pre-Closing conduct. All such liabilities are Excluded Liabilities.

34. No bulk sales law or any similar law of any state or other jurisdiction applies in any way to the transactions with the Debtors that are approved by this Sale Order, including, without

limitation, the Purchase Agreement and the Sale. Except as otherwise provided in the Purchase Agreement, no obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payment is due to any person in connection with the Purchase Agreement or the transactions contemplated hereby or thereby for which the Buyer is or will become liable.

35. Nothing in this Sale Order or the Purchase Agreement releases, nullifies, precludes, or enjoins the enforcement of any environmental liability to a Governmental Unit that any entity would be subject to as the owner or operator of property after the date of entry of this Sale Order. Nothing in this Sale Order or the Purchase Agreement authorizes the transfer or assignment of any governmental (a) license, (b) permit, (c) registration, (d) authorization or (e) approval, or the discontinuation of any obligation thereunder, without compliance with all applicable legal requirements and approvals under environmental law. Notwithstanding the foregoing, nothing in this Sale Order shall be interpreted to deem the Buyer liable for penalties for days of violation prior to entry of this Sale Order. Nothing in this Sale Order divests any tribunal of any jurisdiction it may have under police or regulatory law to interpret this Sale Order or to adjudicate any defense asserted under this Sale Order.

36. The failure specifically to include any particular provision of the Purchase Agreement in this Sale Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the Purchase Agreement be authorized and approved in its entirety.

37. The Purchase Agreement and any related or ancillary agreements, documents or other instruments may be further modified, amended, or supplemented by the parties thereto and in accordance with the terms thereof, without further order of the Court; *provided that* any such

modification, amendment or supplement does not have a material adverse effect on the Debtors' estates.

38. To the extent that this Sale Order is inconsistent with any prior order or pleading with respect to the Private Sale Motion in the Chapter 11 Cases, the terms of this Sale Order shall govern.

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

40. All time periods set forth in this Sale Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

41. The automatic stay pursuant to section 362 of the Bankruptcy Code is hereby modified, lifted, and annulled with respect to the Debtors and the Buyer to the extent necessary, without further order of this Court, to allow the Buyer to take any and all actions permitted under the Purchase Agreement or any other Sale-related document in accordance with the terms and conditions thereof. The Buyer shall not be required to seek or obtain relief from the automatic stay under section 362 of the Bankruptcy Code to enforce any of its remedies under the Purchase Agreement or any other Sale-related document.

42. The Debtors are authorized to take all actions necessary to effect the relief granted pursuant to this Sale Order in accordance with the Private Sale Motion. The Purchase Agreement and any related agreements, documents or other instruments may be modified, amended or supplemented through a written document signed by the parties thereto in accordance with the terms thereof without further order of this Court; *provided*, *however*, that any such modification, amendment, or supplement that is either material or materially changes the economic substance of the transactions shall be filed on the docket and served on the Limited Service List, and parties-in-interest shall have five (5) days to object to any such amendment. Absent any such objection, such

modification, amendment, or supplement shall be binding and any timely objection shall be heard by the Court on an expedited basis.

43. Neither the Buyer nor the Sellers shall have an obligation to close the Sale until all conditions precedent in the Purchase Agreement to each of their respective obligations to close the Sale have been met, satisfied, or waived in accordance with the terms of the Purchase Agreement.

44. Nothing in this Sale Order or the Asset Purchase Agreement, express or implied, shall confer upon any person or entity, other than the Debtors, the Buyer, and their respective successors and permitted assigns, any rights, remedies, obligations, or liabilities.

45. Notwithstanding the provisions of Bankruptcy Rule 6004(h) and Bankruptcy Rule 6006(d), and pursuant to Bankruptcy Rules 7062 and 9014, this Sale Order shall not be stayed, shall be effective immediately upon entry, and the Debtors and the Buyer are authorized to close the Sale immediately upon entry of this Sale Order. **Time is of the essence** in closing the transactions referenced herein, and the Debtors and the Buyer intend to close the Sale as soon as practicable.

46. This Court shall retain jurisdiction to, among other things, interpret, implement, and enforce the terms and provisions of this Sale Order and the Purchase Agreement, all amendments thereto as well as any waivers and consents thereunder and each of the agreements executed in connection therewith to which the Debtors are a party and adjudicate, if necessary, any and all disputes concerning or relating in any way to the Sale.

47. Counsel for the Debtors, through Kurtzman Carson Consultants, LLC d/b/a Verita Global ("Verita") shall, within three (3) days of the entry of this Sale Order, cause a copy of this Sale Order to be served by electronic mail or first class mail, as applicable, on all parties served

with the Private Sale Motion, and Verita shall file promptly thereafter a certificate of service confirming such service.

END OF DOCUMENT

(*Signatures on next page*)

Prepared and presented by:
GREENBERG TRAURIG, LLP

/s/
John D. Elrod (Ga. Bar No. 246604)
Allison J. McGregor (Ga. Bar No. 860865)
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Counsel for the Debtors and
Debtors in Possession

Exhibit A

Purchase Agreement

Execution Version

SECOND AMENDED AND RESTATED

ASSET PURCHASE AGREEMENT

by and among

WELLMADE FLOOR COVERINGS INTERNATIONAL, INC.,

WELLMADE INDUSTRIES MFR. N.A LLC,

and

AHF IC, LLC

September 16, 2025

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SECOND AMENDED AND RESTATED ASSET PURCHASE AGREEMENT

This SECOND AMENDED AND RESTATED ASSET PURCHASE AGREEMENT (this "Agreement") is entered into as of September 16, 2025, by and among (a) Wellmade Floor Coverings International, Inc., an Oregon corporation ("WFCI"), and Wellmade Industries MFR. N.A LLC, a Georgia limited liability company ("Wellmade Industries" and collectively with WFCI, the "Sellers", and, each a "Seller"), and (b) AHF IC, LLC, a Delaware limited liability company (the "Buyer"). The Sellers and the Buyer are sometimes referred to collectively herein as the "Parties." Capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in Article I.

WHEREAS, the Sellers commenced cases (the "Sellers' Chapter 11 Cases") under title 11 of the United States Code, 11 U.S.C. § 101 *et seq.* (the "Bankruptcy Code"), through the filing of their voluntary petitions for relief under Chapter 11 of the Bankruptcy Code on August 4, 2025 (the "Petition Date") in the United States Bankruptcy Court for the Northern District of Georgia (the "Bankruptcy Court");

WHEREAS, the Sellers conduct, among other things, the business of design, production, and distribution of hard surface flooring collections, which shall include, without limitation, all operations and business conducted at or associated with the Cartersville Plant (the "Business");

WHEREAS, the Sellers are parties to a (i) Loan Agreement, dated as of March 29, 2024, related to a term loan (the "Term Loan") in the original principal amount of $20,000,0000 (as has been or may be further amended, restated, supplemented or otherwise modified from time to time, the "Term Loan Agreement" and the promissory note issued by the Debtors to the Prepetition Lender in connection therewith, the "Term Loan Note"), and (ii) a Loan Agreement, dated as of March 29, 2024, relating to a revolving credit facility (the "Revolving Loan" and together with the Term Loan, collectively, the "Prepetition Loans") in the maximum principal amount of $7,000,000.00 (as has been or may be further amended, restated, supplemented or otherwise modified from time to time, the "RLOC Loan Agreement", and the promissory note issued by the Sellers to the Prepetition Lender in connection therewith, the "Revolving Loan Note"), among the Seller, as borrowers, and the Guarantors (as defined in the Prepetition Loan Documents, together with the Sellers, the "Prepetition Loan Parties"), and AHF IC, LLC as successor to Northwest Bank, as lender (the "Prepetition Lender"). All liabilities and other obligations of the Sellers arising under the Prepetition Loan Documents and applicable law and all other "Obligations" (as defined in the Prepetition Loan Documents) shall collectively be referred to herein as the "Prepetition Obligations";

WHEREAS, the Parties previously entered into the Asset Purchase Agreement, dated as of August 7, 2025 (the "Initial Agreement"), pursuant to which (i) the Sellers agreed to sell, transfer and assign to the Buyer, and the Buyer agreed to purchase, acquire and assume from the Sellers, the Acquired Assets (as defined below) and (ii) the Buyer agreed to assume from the Sellers the Assumed Liabilities (as defined below), on the terms and subject to the conditions set forth therein and in accordance with sections 105, 363 and 365 and other applicable provisions of the Bankruptcy Code;

WHEREAS, the Parties entered into the Amended and Restated Asset Purchase Agreement, dated as of September 8, 2025 (the "First A&R Agreement"), pursuant to which the Parties amended, restated, superseded and replaced in its entirety the Initial Agreement; and

WHEREAS, the Parties desire to amend, restate, supersede and replace in its entirety the First A&R Agreement pursuant to Section 9.3 thereof; and

WHEREAS, the Sellers filed the Sale Motion (as defined below) with the Bankruptcy Court and have agreed to take the other steps set forth herein and in the Bidding Procedures Order, the Bidding Procedures and the Sale Order (as each such term is defined below) to implement the transactions contemplated hereby upon the terms and subject to the conditions set forth herein and in the Sale Order.

NOW, THEREFORE, in consideration of the mutual promises herein made, and in consideration of the representations, warranties and covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties, the Parties agree as follows.

ARTICLE I
DEFINITIONS

For purposes of this Agreement, capitalized terms set forth in this Agreement shall have the meaning ascribed to such terms in this Article I.

"Acquired Assets" has the meaning set forth in Section 2.1.

"Affiliate" when used with reference to another Person means any Person, directly or indirectly, through one or more intermediaries, Controlling, Controlled by, or under common Control with, such other Person.

"Agreement" has the meaning set forth in the preamble.

"AHF Inventory Agreement" means the Purchase Agreement for HDPC Rigid Core Vinyl Flooring, dated as of August 1, 2020, by and between AHF, LLC and WCFI, as amended from time to time.

"Allocation" has the meaning set forth in Section 2.9.

"Allocation Objection Notice" has the meaning set forth in Section 2.9.

"Alternative Transaction" means any transaction or series of related transactions (other than pursuant to this Agreement), whether effectuated pursuant to a merger, consolidation, tender offer, exchange offer, share exchange, amalgamation, stock acquisition, asset acquisition, business combination, restructuring, recapitalization, liquidation, dissolution, joint venture or similar transaction, whether or not proposed by the Sellers, pursuant to which one or more Sellers sell, transfer, lease or otherwise dispose of, directly or indirectly, including through an acquisition, asset sale, stock sale, purchase, merger, reorganization, recapitalization or other similar transaction with or involving any equity securities in any Seller or other interests in the Acquired Assets, including

a stand-alone plan of reorganization, plan of liquidation, or refinancing, a material portion of the Acquired Assets (or agrees to any of the foregoing) in a transaction or series of transactions to a party or parties other than the Buyer or its Affiliates.

"Arbitrating Accountant" has the meaning set forth in Section 2.9.

"Assignment and Assumption Agreement" has the meaning set forth in Section 2.8(a)(iii).

"Assumable Permits" means all Permits relating to the Business that are transferable in accordance with their terms.

"Assumed Contracts" means those Leases, Assumable Permits and Contracts that have been, or will be, assigned to and assumed by the Buyer pursuant to Section 2.6 and section 365 of the Bankruptcy Code.

"Assumed Liabilities" has the meaning set forth in Section 2.3.

"Assumed Permit" means those Assumable Permits that have been, or will be, assigned to and assumed by the Buyer pursuant to Section 2.6 and section 365 of the Bankruptcy Code.

"Assumed Permit Schedule" has the meaning set forth in Section 2.6(c).

"Assumption Approval" has the meaning set forth in Section 2.6(g).

"Assumption Effective Date" has the meaning set forth in Section 2.6(d).

"Avoidance Actions" means any and all Claims, causes of action, choses in action, rights of recovery, rights of set off, rights of recoupment, rights of subrogation, right to insurance proceeds, and all other claims, causes of action lawsuits, judgments, privileges, counterclaims, and defenses of any kind of any Seller, including any proceeds thereof, pursuant to Bankruptcy Code sections 542 through 553 of the Bankruptcy Code, any analogous law, including any applicable state Uniform Voidable Transactions Act, Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, or other similar statutes or common law.

"Bankruptcy Code" has the meaning set forth in the recitals.

"Bankruptcy Court" has the meaning set forth in the recitals.

"Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure, each a "Bankruptcy Rule."

"Bidding Procedures" means the bidding procedures approved by the Bankruptcy Court pursuant to the Bidding Procedures Order.

"Bidding Procedures Order" means the order entered by the Bankruptcy Court on August 25, 2025, approving, among other things, the Buyer as the "stalking horse bidder," the Bidding Procedures and the Bidding Protections.

"Bidding Protections" means the following: (i) a break-up fee in favor of the Buyer in the amount of $877,500.00, which shall be afforded administrative expense status and shall be payable to the Buyer in cash at the closing of an Alternative Transaction (the "Break Up Fee"); and (ii) an expense reimbursement in favor of the Buyer in an amount equal to the actual, direct and documented out of pocket expenses of the Buyer incurred in connection with this Agreement (including reasonable attorneys' fees of the Buyer), in an amount not to exceed $585,000.00, which shall be afforded administrative expense status and shall be payable to the Buyer in cash at the closing of an Alternative Transaction (the "Expense Reimbursement").

"Bill of Sale" has the meaning set forth in Section 2.8(a)(ii).

"Business" has the meaning set forth in the recitals.

"Business Day" means any day other than a Saturday, a Sunday, or a day on which banks located in Atlanta, Georgia shall be authorized or required by Law to close.

"Buyer" has the meaning set forth in the preamble.

"Buyer Designated Material Contracts" means those Contracts and Leases designated as such in writing by the Buyer within 10 days of the date hereof.

"Capital Leases" means all leases required to be capitalized in accordance with GAAP.

"CARES Act" means the Coronavirus Aid, Relief, and Economic Security Act.

"Cartersville Plant" means the Sellers' facility located at 1 Wellmade Drive, Cartersville, Georgia.

"Cash" means cash (including all cash located in Sellers' bank accounts, lock-boxes, and cash in transit), cash equivalents, cash collateralized letters of credit, investment accounts, certificates of deposit, and liquid investments.

"Claim" has the meaning set forth in section 101(5) of the Bankruptcy Code.

"Closing" has the meaning set forth in Section 2.7.

"Closing Cash Payment" means an amount equal to (a) $58,500,000.00 minus (b) the Credit Bid minus (c) the Equipment Payoff Amount minus (d) the aggregate amount of the remaining obligations of the Sellers under the AHF Inventory Agreement as of the Closing Date.

"Closing Date" has the meaning set forth in Section 2.7.

"Collective Bargaining Agreement" means any collective bargaining agreement or other Contract with a union, works council or other labor organization or employee representative covering any Service Provider.

"Consent" means any approval, consent, ratification, permission, clearance, designation, qualification, waiver or authorization, or an order of the Bankruptcy Court that deems or renders unnecessary the same.

"Consent Deadline" has the meaning set forth in Section 2.6(g).

"Contract" means any written or oral agreement, contract, indenture, mortgage, instrument, guaranty, loan or credit agreement, note, bond, customer order, membership agreement, purchase order, sales order, sales agent agreement, supply agreement, development agreement, joint venture agreement, license agreement, contribution agreement, partnership agreement or other arrangement, understanding, permission or commitment that, in each case, is legally binding, but excluding Leases.

"Contract and Cure Schedule" has the meaning set forth in Section 2.6(c).

"Control" means, when used with reference to any Person, the power to direct the management or policies of such Person, directly or indirectly, by or through stock or other equity ownership, agency or otherwise, or pursuant to or in connection with any Contract; and the terms "Controlling" and "Controlled" shall have meanings correlative to the foregoing.

"Credit Bid" means a credit bid of the Prepetition Obligations pursuant to Section 363(k) of the Bankruptcy Code as of the Closing Date, including any interest and reimbursable expenses that are accrued and unpaid as of the Closing Date.

"Credit Bid and Release" has the meaning set forth in Section 2.8.

"Cure Amounts" has the meaning set forth in Section 2.6(f).

"Cure Amounts Cap" means, cumulatively, $150,000.

"Cure Notice" has the meaning set forth in Section 5.3(c).

"D&O Litigation Claims" means all Litigation Claims against any current or former director, officer, shareholder or insider of any Seller or any relative or family member thereof.

"Decree" means any judgment, decree, ruling, decision, opinion, injunction, assessment, attachment, undertaking, award, charge, writ, executive order, judicial order, administrative order or any other order of any Governmental Entity.

"Disclosure Schedule" has the meaning set forth in Article III.

"Employee Benefit Plan" means any "employee benefit plan" (as such term is defined in Section 3(3) of ERISA) and any other benefit or compensation plan, program, agreement or arrangement of any kind, in each case, maintained or contributed to by a Seller, in which a Seller participates or participated, in which a Seller has any Liability (contingent or otherwise), or through which current or former Service Providers of the Business are eligible to receive benefits or compensation.

"End Date" means the close of business no later than thirty (30) days following the entry of the Sale Order, but in no event shall be later than November 14, 2025.

"Environmental, Health and Safety Requirements" means, as enacted and in effect on or prior to the Closing Date, all applicable Laws concerning worker health and safety, the treatment, disposal, emission, discharge, Release or threatened Release of, or exposure to, Hazardous Material, pollution or the protection of the environment.

"Equipment Payoff Amount" means the aggregate obligations of the Sellers for deferred purchase price, conditional sale obligations, and under any title retention agreements for any equipment or machinery located at or associated with the Cartersville Plant.

"ERISA" means the United States Employee Retirement Income Security Act of 1974, as amended.

"Excluded Assets" means, collectively, the following assets of the Sellers: (a) all certificates of incorporation or certificates of formation and other organizational documents, qualifications to conduct business as a foreign entity, arrangements with registered agents relating to foreign qualifications, taxpayer and other identification numbers, seals, minute books, stock or other equity transfer books, stock or membership certificates relating to the Sellers and other documents relating to the organization, maintenance and existence of any Seller as a corporation or limited liability company; (b) all Records related to Taxes paid or payable by any Seller; provided that the Buyer shall have the right to make copies of any portions of such excluded Records to the extent that such portions relate to the Business, any Acquired Asset or any Assumed Liability; (c) Owned Equity Interests; (d) all Contracts and Leases that are not Assumed Contracts; (e) any (i) confidential personnel and medical Records pertaining to any Service Provider to the extent the disclosure of such information is prohibited by applicable Law and (ii) other Records that any Seller is required by Law to retain; provided that the Buyer shall have the right to make copies of any portions of such excluded Records to the extent that such portions relate to the Business, any Acquired Asset, any Assumed Liability or any Service Provider hired by the Buyer on the Closing Date (to the extent not prohibited by applicable Law); (f) any documents and agreements of any Seller relating to the Sellers' Chapter 11 Cases or to the sale or other disposition of any Excluded Assets; provided that the Buyer shall have the right to make copies of any portions of such excluded Records to the extent that such portions relate to the Business, any Acquired Asset or any Assumed Liability; (g) all Permits that are not Assumed Permits; (h) trade accounts receivable and other rights to payment from customers of the Sellers (whether current or non-current) to the extent arising from products delivered prior to the Closing Date that are unpaid as of the Closing Date; (i) any Cash (except for customer deposits associated with Assumed Contracts or Assumed Liabilities, which such cash will be an Acquired Asset together with the Assumed Contract or Assumed Liability, as applicable); (j) all Employee Benefit Plans; (k) any assets owned by WFCI that are not related to or used in connection with the Business or otherwise located at the Cartersville Plant; (l) all Avoidance Actions other than Specified Avoidance Actions; and (m) all D&O Litigation Claims.

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

"Final Order" means an order of the Bankruptcy Court or other court of competent jurisdiction: (i) as to which no appeal, notice of appeal, motion to amend or make additional findings of fact, motion to alter or amend judgment, motion for rehearing or motion for new trial has been timely filed or, if any of the foregoing has been timely filed, it has been disposed of in a manner that upholds and affirms the subject order in all respects without the possibility for further appeal or rehearing thereon; (ii) as to which the time for instituting or filing an appeal, motion for rehearing or motion for new trial shall have expired; and (iii) as to which no stay is in effect; provided, however, that the filing or pendency of a motion under Federal Rule of Bankruptcy Procedure 9024(b) shall not cause an order not to be deemed a "Final Order" unless such motion shall be filed within fourteen (14) calendar days of the entry of the order at issue. In the case of (i) the Sale Order, a Final Order shall also consist of an order as to which an appeal, notice of appeal, motion to amend or make additional findings of fact, motion to alter or amend judgment, motion for rehearing or motion for new trial has been filed, but as to which the Buyer, in their sole and absolute discretion, elect to proceed with Closing, and (ii) any other order that is required hereunder to be a Final Order, a Final Order shall also consist of an order as to which an appeal, notice of appeal, motion to amend or make additional findings of fact, motion to alter or amend judgment, motion for rehearing or motion for new trial has been filed, but as to which the Buyer, in its sole and absolute discretion, elect to proceed.

"Fundamental Representations" means the representations and warranties of the Sellers set forth in Section 3.1 (Organization of Each Seller; Good Standing), Section 3.2 (Authorization of Transaction), Section 3.4 (Title to Acquired Assets) and Section 3.19 (Brokers' Fees).

"Furnishings and Equipment" means tangible personal property (other than Inventory) and that is used or held for use in the operation of the Business, regardless of where located.

"GAAP" means United States generally accepted accounting principles.

"Governmental Entity" means any United States or non-United States federal, state or local governmental or regulatory authority, agency, commission, court, body or other governmental entity.

"Hazardous Material" means any waste or other substance that is listed, defined, designated or classified as hazardous, radioactive or toxic or a pollutant or a contaminant under any Environmental, Health and Safety Requirements, including any admixture or solution thereof, and including petroleum and all derivatives thereof or synthetic substitutes therefor, asbestos or asbestos-containing materials in any form or condition and polychlorinated biphenyls.

"Indebtedness" of any Person means, without duplication, (a) the principal of and premium (if any) in respect of (i) indebtedness of such Person for money borrowed and (ii) indebtedness evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable, (b) all obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations of such Person, and all obligations of such Person under any title retention agreement (but excluding trade accounts payable for goods and services and other accrued current liabilities arising in the Ordinary Course of Business), (c) all obligations of such Person under Capital Leases, (d) all obligations of such Person for the reimbursement of any obligor on any letter of credit, banker's acceptance, or similar credit

transaction, (e) the liquidation value of all redeemable preferred stock of such Person, (f) all obligations of the type referred to in clauses (a) through (e) of any Persons for the payment of which such Person is responsible or liable, directly or indirectly, as obligor, guarantor, surety or otherwise, including guarantees of such obligations, and (g) all obligations of the type referred to in clauses (a) through (f) of other Persons secured by any lien on any property or asset of such Person (whether or not such obligation is assumed by such Person).

"Initial Allocation" has the meaning set forth in Section 2.9.

"Insurance Policies" has the meaning set forth in Section 3.13.

"Intellectual Property" means any and all rights, title and interest in or relating to intellectual property of any type, which may exist or be created under the Laws of any jurisdiction throughout the world, including: (a) patents and patent applications, together with all reissues, provisionals, continuations, continuations-in-part, divisionals, renewals, extensions and reexaminations in connection therewith; (b) trademarks, service marks, trade dress, logos, slogans, trade names, service names, brand names, internet domain names, social media accounts and all other source or business identifiers and general intangibles of a like nature, along with all applications, registrations and renewals and extensions in connection therewith, and all goodwill associated with any of the foregoing; (c) rights associated with works of authorship, including software, databases, websites, exclusive exploitation rights, mask work rights, copyrights, database and design rights, whether or not Registered or published, all registrations and recordations thereof and applications in connection therewith, along with all extensions and renewals thereof and all moral rights associated with any of the foregoing; and (d) trade secrets, know-how and other proprietary and confidential information, including inventions (whether or not patentable), invention disclosures, improvements, algorithms, source code, data analytics, methods, processes, designs, drawings, customer lists, supplier lists, together with all embodiments and fixations of any of the foregoing and all related documentation.

"Intellectual Property Assets" means all Intellectual Property that is owned by the Sellers, including all such Intellectual Property primarily used or held for use in the conduct of the Business as currently conducted, together with all (i) royalties, fees, income, payments, and other proceeds now or hereafter due or payable to such Seller with respect to such Intellectual Property; and (ii) claims and causes of action with respect to such Intellectual Property, whether accruing before, on, or after the date hereof, including all rights to and claims for damages, restitution, and injunctive and other legal or equitable relief for past, present, or future infringement, misappropriation, or other violation thereof.

"Intellectual Property Assignment" has the meaning set forth in Section 2.8(a)(iv).

"Inventory" means all inventory (including merchandise, raw materials, component parts, supplies, packing and shipping materials, products in-process and finished products) of any Seller, whether temporarily out of such Seller's custody or possession, in transit to or from any Seller and whether in any Seller's vehicles, warehouses, held by any third parties or otherwise, and all other Inventory (as defined in the UCC), including any returned goods and any documents of title representing any of the foregoing.

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

"Key Vendors" shall mean the landlords party to Leases which constitute Assumed Contracts.

"Knowledge" of a Person (and other words of similar import) (a) in reference to the Sellers means the actual knowledge of Ming Chen (a/k/a Allen Chen) or Richard Quinlan, after reasonable inquiry and (b) in reference to the Buyer means the actual knowledge of Brent Emore, after reasonable inquiry. For the avoidance of doubt, no Person named in this definition shall have any personal liability or obligations solely rising out of such Knowledge.

"Law" means any federal, state, provincial, local, municipal, foreign or other law, statute, legislation, constitution, principle of common law, resolution, ordinance (including with respect to zoning or other land use matters), code, treaty, convention, rule, regulation, requirement, edict, directive, pronouncement, determination, proclamation or Decree of any Governmental Entity.

"Leased Real Property" means all leasehold or subleasehold estates and other rights to use or occupy any land, buildings, structures, improvements, fixtures or other interest in real property of any Seller which is used in the Business.

"Leases" means all leases, subleases, licenses, concessions, and other agreements, including all amendments, extensions, renewals, guaranties, and other agreements with respect thereto, in each case pursuant to which a Seller holds or has any interest in Leased Real Property, but excluding Contracts.

"Liability" means any liability, Indebtedness, guaranty, claim, loss, damage, deficiency, assessment, responsibility or obligation of whatever kind or nature (in each case, whether known or unknown, whether disclosed or undisclosed, whether express or implied, whether primary or secondary, whether in contract, tort or otherwise, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, whether due or to become due, whether determined or determinable, whether choate or inchoate, whether secured or unsecured and whether matured or not yet matured).

"Lien" means, whether imposed by Law, Contract or otherwise, any mortgage, deed of trust, hypothecation, contractual restriction, pledge, lien, encumbrance, interest, charge, security interest, put, call, other option, right of first refusal, right of first offer, servitude, right of way, easement, conditional sale or installment contract, finance lease involving substantially the same effect, security agreement or other encumbrance or restriction on the use, transfer or ownership of any property of any type (including real property, tangible property and intangible property), including any "kill switches" or similar encumbrances on equipment or other assets and the right or ability of a third party to use or activate the same. For the avoidance of doubt, the definition of Lien shall not be deemed to include the grant of any non-exclusive license or sublicense of Intellectual Property by a Seller.

"Litigation" means any action, cause of action, suit, claim, investigation, mediation, audit, grievance, demand, hearing or proceeding, whether civil, criminal, administrative or arbitral, whether at law or in equity before any Governmental Entity or arbitrator.

"Litigation Claims" means, to the extent not constituting Avoidance Actions, all rights, claims (including warranty, indemnity, rebate and similar claims) or causes of action, and the proceeds thereof, choses in action, rights of recovery, rights of refund, rights of set off, rights of recoupment, rights of subrogation, right to insurance proceeds, audit rights and all other Claims, causes of action, lawsuits, judgments, privileges, counterclaims, and defenses of any kind of any Seller.

"Material Adverse Effect" means any state of facts, change, event, effect, development, condition, circumstance or occurrence (when taken together with all other states of fact, changes, events, effects, developments, conditions, circumstances or occurrences), that (a) is materially adverse to the financial condition, results of operations of the Business or any of the Sellers (individually or in the aggregate), Assumed Liabilities or the Acquired Assets, or (b) would reasonably be expected to prevent, materially delay or materially impair the ability of a Seller to consummate the transactions contemplated by this Agreement or the Related Agreements on the terms set forth herein and therein; provided, however, that with respect to clause (a) only, no change event, development or occurrence related to any of the following shall be deemed to constitute, and none of the following shall be taken into account in determining whether there has been a Material Adverse Effect: (i) national or international business, economic or political conditions, including the engagement by the United States of America in international hostilities (not domestic), affecting (directly or indirectly) the industry in which the Business operates, whether or not pursuant to the declaration of war, or the occurrence of any military or terrorist attack upon the United States of America or any of its territories, possessions or diplomatic or consular offices or upon any military installation, equipment or personnel of the United States of America, except to the extent that such change has a materially disproportionate adverse effect on the Business relative to the adverse effect that such changes have on other companies in the industry in which the Business operates; (ii) financial, banking or securities markets (including any disruption thereof or any decline in the price of securities generally or any market or index), except to the extent that such change has a materially disproportionate adverse effect on the Business relative to the adverse effect that such changes have on other companies in the industry in which the Business operates; (iii) any change in GAAP or Law except to the extent that such change has a materially disproportionate adverse effect on the Business relative to the adverse effect that such changes have on other companies in the industry in which the Business operates; (iv) any changes directly attributable to the announcement of this Agreement or any Related Agreement, including by reason of the identity of the Buyer or any of its Affiliates; (v) resulting from any act of God except to the extent that such change has a materially disproportionate adverse effect on the Business relative to the adverse effect that such changes have on other companies in the industry in which the Business operates; or (vi) in the case of the Sellers or the Business, (A) the failure to meet or exceed any projection or forecast (it being understood that, with respect to this clause (vi) (A), the underlying facts or circumstances giving rise or contributing to the failure to meet such projection(s) or forecast(s) may be deemed to constitute, or be taken into account in determining whether there has been, a Material Adverse Effect), or (B) reasonable and expected impacts to the business or operations of any Seller (including changes in credit terms offered by suppliers or financing sources) resulting from the announcement or the filing of the Sellers' Chapter 11 Cases and the Sellers' financial condition or the Sellers' status as debtors under Chapter 11 of the Bankruptcy Code.

"Material Contract" has the meaning set forth in Section 3.5(a).

"Milestones" has the meaning set forth in Section 5.3(d).

"Necessary Consents" has the meaning set forth in Section 2.6(g).

"Ordinary Course of Business" means the ordinary course of business consistent with past custom and practice.

"Owned Equity Interests" means any equity interests or securities of any Seller held by any other Seller.

"Party" has the meaning set forth in the preamble.

"Permit" means any franchise, approval, permit, license, order, registration, certificate, variance, Consent, exemption, ratification, waiver or similar right or authorization issued, granted, given or otherwise obtained from or by any Governmental Entity, under the authority thereof, or pursuant to any applicable Law.

"Permitted Liens" means Liens (a) for Taxes not yet delinquent or which are being contested in good faith by appropriate proceedings and, in either case, to the extent reserved on the books and records of the applicable Seller, (b) with respect to leased or licensed personal property, the terms and conditions of the lease or license applicable thereto to the extent constituting an Assumed Contract and (c) with respect to Capital Leases for an aggregate amount of Indebtedness not to exceed Twenty-Five Thousand Dollars ($25,000).

"Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or any other entity, including any Governmental Entity or any group or syndicate of any of the foregoing.

"Personal Property Taxes" means personal property Taxes of the Sellers to the extent they become allowed claims in the Sellers' Chapter 11 Cases under sections 503(b)(1)(B) or 507(a)(8)(B) of the Bankruptcy Code.

"Petition Date" has the meaning set forth in the recitals.

"Prepaid Expenses" means all deposits (including customer deposits and security deposits (whether maintained in escrow or otherwise) for rent, electricity, telephone bonds or other sureties or other expenses (including all prepaid rent and all prepaid charges, expenses and rent under any personal property leases)), advances, prepaid expenses, prepayments, rights under warranties or guarantees, vendor rebates and other refunds of every kind and nature (whether or not known or unknown or contingent or non-contingent), except that professional fee retainers and prepaid deposits related thereto shall not be included in the definition of "Prepaid Expenses."

"Prepetition Obligations" shall have the meaning in the preamble.

"Previously Omitted Contract" has the meaning set forth in Section 2.6(j).

"Purchase Price" has the meaning set forth in Section 2.5.

"Records" means, with respect to the Business, the books, records, information, ledgers, files, invoices, documents, work papers, correspondence, electronic mail communications, lists (including client and customer lists, supplier lists and mailing lists), plans (whether written, electronic or in any other medium), drawings, designs, specifications, creative materials, advertising and promotional materials, marketing plans, studies, reports, data, supplier and vendor lists, purchase orders, sales and purchase invoices, production reports, personnel and employment records, financial and accounting records and similar materials related to the Business and specifically excluding Sellers' corporate minutes book and related corporate records and books, files and papers not otherwise relating exclusively to the Business.

"Registered" means issued by, registered with, renewed by or the subject of a pending application before any Governmental Entity or domain name registrar.

"Related Agreements" means the Bill of Sale, the Assignment and Assumption Agreement, the Intellectual Property Assignment and each other agreement, document or instrument executed or delivered by a Party in connection with the foregoing, this Agreement, the Sale Order or the transactions contemplated hereby or thereby.

"Related Party" means any officer, director, manager or equity holder of any Seller, or any member of the immediate family of the foregoing.

"Release" means the release, spill, emission, leaking, pumping, pouring, emptying, escaping, dumping, injection, deposit, disposal, discharge, dispersal, leaching or migrating of any Hazardous Material into the environment.

"Representative" of a Person means such Person's officers, directors, managers, employees, advisors, representatives (including its legal counsel and its accountants) and agents of such Person.

"Sale Motion" means that motion filed by the Sellers in the Chapter 11 Cases on August 8, 2025, requesting that the Bankruptcy Court (a) enter the Bidding Procedures Order and (b) enter the Sale Order at the final hearing on the Sale Motion, and approve all related transactions.

"Sale Order" means an order of the Bankruptcy Court entered in the Sellers' Chapter 11 Cases pursuant to sections 105, 363, and 365 of the Bankruptcy Code, approving this Agreement and the transactions contemplated hereby, in all respects as shall be satisfactory to the Sellers and the Buyer, (i) approving the sale and transfer of the Acquired Assets to the Buyer free and clear of all Liens, Claims and interests other than Permitted Liens, if any, pursuant to section 363(f) of the Bankruptcy Code; (ii) approving the assumption and assignment to the Buyer of the Assumed Contracts; (iii) authorizing consummation of the transactions contemplated hereby; (iv) containing a finding that the transactions contemplated by this Agreement are undertaken by the Sellers and the Buyer (solely in its capacity as such) at arm's length, without collusion, and finding that the Buyer is a good-faith buyer entitled to the protections of section 363(m) of the Bankruptcy Code; (v) finding that due and adequate notice of the approval of the sale hearing and proposed Sale Order and an opportunity to be heard were provided to all Persons entitled thereto, including but not limited to, federal, state and local taxing and regulatory authorities; (vi) confirming that the Buyer is acquiring the Acquired Assets free and clear of all Liabilities, other than the Assumed

Liabilities; (vii) assuring that the Buyer will not be subject to successor liability for any claims or causes of action of any kind or character against any Seller, whether known or unknown, unless expressly assumed as an Assumed Liability pursuant to this Agreement; (vii) authorizing the Buyer to freely own and operate the Acquired Assets; (ix) providing that the Bankruptcy Court shall retain jurisdiction to hear any disputes arising in connection with the transactions contemplated by this Agreement; (x) providing that the provisions of Federal Rules of Bankruptcy Procedure 6004(h) and 6006(d) are waived and there will be no stay of execution of the Sale Order under Rule 62(a) of the Federal Rules of Civil Procedure; (xi) permitting the Buyer to waive, in its sole discretion, the 14-day stay period under Rule 6004(h) of the Federal Rules of Bankruptcy Procedure; and (xii) granting related relief, which order shall be in all respects satisfactory to the Buyer; *provided, that* the Sale Order shall (A) not be inconsistent with this Agreement in a manner adverse to the Buyer without Buyer's consent, and (B) not contain any provision that is materially adverse to the Buyer without Buyer's consent.

"Seller" or "Sellers" has the meaning set forth in the preamble.

"Sellers' Chapter 11 Cases" has the meaning set forth in the recitals.

"Service Provider" means any director, officer, full-time or part-time employee, independent contractors, independent consultants or temporary employees, of any Seller.

"Specified Avoidance Actions" means all Avoidance Actions (i) against the Buyer or any of its Affiliates, (ii) against all of Sellers' vendors, suppliers, merchants, manufacturers, counterparties, customers and trade creditors with whom the Buyer continues to conduct business in regard to the Acquired Assets after the Closing, (iii) relating in any way to the Acquired Assets (including any Assumed Contract) or Assumed Liabilities, and (iv) any entity that is a transferee, successor, or affiliate, or for whose benefit a transfer was made, that relates to a party described in subsections (i)-(iii) herein.

"Subsidiary" means, with respect to any Person, any corporation, limited liability company, partnership, association or other business entity of which (a) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof (or other persons performing similar functions with respect to such corporation) is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (b) if a limited liability company, partnership, association or other business entity (other than a corporation), a majority of partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof and for this purpose, a Person or Persons owns a majority ownership interest in such a business entity (other than a corporation) if such Person or Persons shall be allocated a majority of such business entity's gains or losses or shall be or control any managing director, managing member or general partner of such business entity (other than a corporation). The term "Subsidiary" shall include all Subsidiaries of such Subsidiary.

"Tax" or "Taxes" means any net or gross income, net or gross receipts, net or gross proceeds, capital gains, capital stock, sales, use, user, leasing, lease, transfer, natural resources, premium, ad valorem, value added, franchise, profits, gaming, license, capital, withholding,

payroll or other employment, estimated, goods and services, severance, excise, stamp, fuel, interest equalization, registration, recording, occupation, turnover, personal property (tangible and intangible), real property, unclaimed or abandoned property, alternative or add-on, windfall or excess profits, environmental, social security, disability, unemployment or other tax or customs duties or amount imposed by (or otherwise payable to) any Governmental Entity, or any interest, any penalties, additions to tax or additional amounts assessed, imposed or otherwise due or payable under applicable Laws with respect to taxes, in each case, whether disputed or not.

"Tax Return" means any return, declaration, report, claim for refund or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"Transfer Tax" has the meaning set forth in Section 6.5.

"Transferred Employee" has the meaning set forth in Section 6.4(a).

"Transition Services Agreement" has the meaning set forth in Section 2.8(a)(v).

"UCC" means the Uniform Commercial Code as the same may from time to time be in effect in the State of Georgia, or in any other state to the extent the law of such other state shall govern or apply to a specific asset or property of a Seller.

"WARN Act" has the meaning set forth in Section 3.9(a).

"Wellmade Industries" has the meaning set forth in the preamble.

"WFCI" has the meaning set forth in the preamble.

ARTICLE II
PURCHASE AND SALE

Section 2.1 Purchase and Sale of Acquired Assets. On the terms and subject to the conditions of this Agreement and subject to entry by the Bankruptcy Court of the Sale Order, at the Closing, the Buyer shall purchase, acquire, and accept from the Sellers, and each Seller shall sell, transfer, assign, convey, and deliver to the Buyer (or its assignee pursuant to Section 9.4), all of such Seller's right, title and interest in and to all of the properties, rights, interests and other tangible and intangible assets of such Seller (the "Acquired Assets", which shall include, without limitation, such assets set forth on Exhibit A attached hereto), free and clear of all Liens (other than Permitted Liens) and Claims (other than Assumed Liabilities)), for the consideration specified in Section 2.5; provided, however, that the Acquired Assets shall not include any Excluded Assets.

Section 2.2 Excluded Assets. Nothing contained herein shall be deemed to sell, transfer, assign or convey the Excluded Assets to the Buyer, and the applicable Seller shall retain all of its right, title and interest to, in and under the Excluded Assets.

Section 2.3 Assumed Liabilities. On the terms and subject to the conditions of this Agreement and the Sale Order, at the Closing (or, with respect to assumed liabilities under Assumed Contracts or Assumed Permits that are assumed by the Buyer after the Closing, such

later date of assumption as provided in Section 2.6), the Buyer shall assume and become responsible for the following Liabilities (collectively, the "Assumed Liabilities") and no other Liabilities (including the Excluded Liabilities) of any Seller, and from and after the Closing (or such later date of assumption as provided in Section 2.6), agrees to timely pay, honor and discharge, or cause to be timely paid, honored and discharged, all Assumed Liabilities when due and in a timely manner in accordance with the terms thereof, and except for the Assumed Liabilities, the Buyer shall not be deemed to have assumed any other Liabilities of the Sellers, any of their Affiliates or any predecessors of the foregoing:

(a) all Liabilities arising after the Closing Date under the Assumed Contracts and the Assumed Permits included in the Acquired Assets that are incurred from the use of the Acquired Assets and conduct of the Business by the Buyer following the Closing Date;

(b) all Cure Amounts up to and including (but not in excess of) the Cure Amounts Cap pursuant to Section 2.6(f);

(c) all Liabilities for Transfer Taxes to the extent borne by the Buyer pursuant to Section 6.5;

(d) (i) all accrued vacation and sick time of the Transferred Employees that remains unused or unpaid as of the Closing up to $100,000 and (ii) any other Liabilities described as being assumed or fulfilled by the Buyer in Section 6.4; and

(e) all remaining obligations of the Sellers under the AHF Inventory Agreement.

Section 2.4 Excluded Liabilities. Notwithstanding anything herein to the contrary, the Parties expressly acknowledge and agree that the Buyer shall not assume, be obligated to pay, perform or otherwise discharge or in any other manner be liable or responsible for any Liabilities of any Seller, whether existing at any time before or after the Closing Date or arising thereafter, other than the Assumed Liabilities (all such Liabilities that the Buyer is not assuming being referred to collectively as the "Excluded Liabilities"). Without limiting the foregoing, the Buyer shall not be obligated to assume, does not assume and hereby disclaims all the Excluded Liabilities, including the following Liabilities of any Seller whether incurred or accrued at any time before or after the Closing Date:

(a) except as otherwise provided in Section 2.10 or Section 6.5, (i) all Taxes of any Seller or any of its Affiliates, including Taxes imposed on any Seller under Treasury Regulations Section 1.1502-6 and similar provisions of state, local or foreign Tax Law accruing prior to the Closing and (ii) all Liabilities for Taxes relating to the Business, Acquired Assets or Transferred Employees for all Taxable periods (or portions thereof) ending on or prior to the Closing Date (including, for the avoidance of doubt, any payroll or other employment Taxes deferred by any Seller pursuant to Section 2302 of the CARES Act), and any sales, use, ad valorem or similar Tax;

(b) all Liabilities of the Sellers for fees, costs and expenses incurred in connection with Sellers' Chapter 11 Cases or negotiating, preparing, closing and carrying out this Agreement and the transactions contemplated hereby, including (i) any fees and expenses of

attorneys, investment bankers, finders, brokers, accountants and consultants and (ii) any fees, costs and expenses or payments related to any transaction bonus, discretionary bonus, change-of-control payment, retention or other compensatory payments made to any Service Provider (including the employer portion of any payroll, social security, unemployment or similar Taxes related thereto);

(c) all Personal Property Taxes;

(d) all Liabilities of any Seller in respect of Indebtedness (except to the extent of any Cure Amounts under any Assumed Contracts (subject to the Cure Amounts Cap) and any capitalized leases that are Assumed Contracts);

(e) all Liabilities arising in connection with any actual or alleged violation of any applicable Law relating to the period prior to the Closing Date by any Seller, including any Environmental, Health and Safety Requirements and the items set forth on Section 3.8 of the Disclosure Schedule;

(f) all litigation claims and any other Liabilities, including any tort claims, breach of contract claims, employment claims and discrimination claims, to the extent relating to Claims (including Claims instituted after the Closing Date), events or conditions arising out of or relating in any way to the conduct or operation of the Business or the ownership of the Acquired Assets prior to the Closing Date even if instituted after the Closing Date;

(g) all Liabilities and obligations arising out of, relating to or in connection with incidents or events occurring prior to the Closing Date by any Person applying for employment with, employed by, or acting as an independent contractor on the property of or on behalf of, any Seller for payment, claims or benefits under workers' compensation Laws or any other Law;

(h) all Liabilities with respect to, or relating to or arising out of the employment, service or termination of employment or service of Service Providers by any Seller whether arising before or after the Closing Date (except to the extent assumed pursuant to Section 2.3(d)), including but not limited to all Liabilities relating to Service Providers who do not become Transferred Employees;

(i) all Liabilities arising in connection with or in any way relating to any Seller (or any predecessor or any prior owner of all or part of their business and assets), any property now or previously owned, leased or operated by any Seller or the Acquired Assets or any activities or operations occurring or conducted at any real property used or held for use by any Seller (including offsite disposal), which (i) arise under or relate to any Environmental, Health and Safety Requirements and (ii) relate to actions occurring or conditions existing on or prior to the Closing Date;

(j) all Liabilities arising out of or related to any Excluded Asset;

(k) all Cure Amounts in excess of the Cure Amounts Cap;

(l) all Liabilities to any (i) owner or former owner of capital stock or other equity interests of any Seller or any Affiliate of the foregoing, (ii) current or former officer or director of any Seller, in their capacity as such, or (iii) any Subsidiary of the Sellers;

(m) all other Liabilities that are not Assumed Liabilities, including all Liabilities arising under or in connection with written or oral Contracts (which are not Assumed Contracts);

(n) all Liabilities of the Sellers constituting accounts payable incurred prior to the Closing Date to the extent not included as a Cure Amount (subject to the Cure Amounts Cap), or otherwise expressly included as an Assumed Liability pursuant to Section 2.3;

(o) all Liabilities arising out of or related to any Employee Benefit Plan; and

(p) all other Liabilities of any Seller under this Agreement and the Related Agreements and the transactions contemplated hereby or thereby (excluding all the Assumed Liabilities).

Section 2.5 Consideration. The aggregate consideration for the sale and transfer of the Acquired Assets to the Buyer (the "Purchase Price") shall be (i) the Credit Bid; plus (ii) the Closing Cash Payment in cash; plus (iii) the assumption of Assumed Liabilities (including the Cure Amounts). Not later than two (2) Business Days prior to the Closing, the Sellers will deliver to the Buyer a statement (the "Equipment Payoff Statement") containing the Equipment Payoff Amount, indicating the amount owed to each Person and wire instructions for such payment, along with evidence reasonably satisfactory to the Buyer that upon payment of the Equipment Payoff Amount, the equipment and machinery located at or associated with the Cartersville Plant will not be subject to any Liens related to deferred purchase price, conditional sale obligations, or title retention agreements.

Section 2.6 Assumption and Assignment of Contracts, Leases and Permits.

(a) The Sale Order shall provide for the assumption by the applicable Seller, and the assignment of the Assumed Contracts and Assumed Permits to the maximum extent permitted by the Bankruptcy Code by such Seller to the Buyer on the terms and conditions set forth in the remainder of this Section 2.6.

(b) At the Buyer's request, the applicable Seller shall reasonably cooperate from the date hereof forward with the Buyer as reasonably requested by the Buyer to allow the Buyer to enter into an amendment of any Contract or Lease upon assignment to the Buyer of such Contract or Lease (and such Seller shall reasonably cooperate with the Buyer to the extent reasonably requested with the Buyer in negotiations with the applicable non-debtor counterparties and/or landlords). The Buyer shall compensate the Sellers for any reasonable, out-of-pocket, non-fixed costs with respect to the foregoing.

(c) Section 2.6(c)(i) of the Disclosure Schedule sets forth a true, correct, and complete list of all Contracts and Leases to which any Seller is a party with respect to the Business. Section 2.6(c)(ii) of the Disclosure Schedule sets forth a true, correct, and complete list of all of the Assumable Permits with respect to the Business. The proposed Cure Amounts in respect of each Contract and Lease are also set forth in Section 2.6(c)(i) of the Disclosure Schedule. The Buyer has advised the Sellers that they may want the Sellers to assume and assign certain of the Contracts and Leases set forth in Section 2.6(c)(i) of the Disclosure Schedule and Assumable Permits set forth in Section 2.6(c)(ii) of the Disclosure Schedule, in each case, under section 365 of the Bankruptcy Code. The inclusion of any Contract or Lease on Section 2.6(c)(i) of the

Disclosure Schedule or Assumable Permit on Section 2.6(c)(ii) of the Disclosure Schedule does not constitute an admission that a particular contract is an executory contract or unexpired lease within the meaning of the Bankruptcy Code or require or guarantee that such Contract, Lease or Assumable Permit will ultimately be assumed. All rights of the Buyer with respect thereto are reserved. The Buyer shall, no later than five (5) days prior to the hearing scheduled to consider entry of the Sale Order, identify in writing to the Sellers the Contracts (other than such contracts listed as unassignable in Section 2.6(c)(i) of the Disclosure Schedule), Leases and Assumable Permits that the Buyer has decided will be Assumed Contracts by putting such Contracts and Leases onto a contract and cure schedule (the "Contract and Cure Schedule") or will be Assumed Permits by putting such Assumable Permits on the "Assumed Permit Schedule").

(d) Unless the Bankruptcy Court orders otherwise, each Contract and Lease included on the Contract and Cure Schedule and Assumed Permit Schedule will be deemed to have been assigned to the Buyer and become an Assumed Contract or Assumed Permit, as applicable, on the date (the "Assumption Effective Date") that is the later of: (i) the Closing Date, or (ii) contemporaneously with the resolution of any objections to the assumption and assignment of such Contract or Lease (or to a proposed Cure Amount) or Assumable Permit.

(e) As part of the Sale Motion (or as necessary in one or more separate motions), the Sellers shall request that, by virtue of the Sellers providing prior notice of its intent to assume and assign any Contract, Lease or Assumable Permit pursuant to the terms set forth in the Bidding Procedures Order, the Bankruptcy Court shall deem (by way of the Bidding Procedures Order or such other order of the Bankruptcy Court) any non-debtor party to such Contract, Lease or Assumable Permit that does not file an objection with the Bankruptcy Court during such notice period to have given any required Consent to the assumption of the Contract, Lease or Assumable Permit by the relevant Seller and assignment to the relevant Buyer. For the avoidance of doubt, the Sellers may reject any Contract and Lease that is not an Assumed Contract or Assumed Permit.

(f) In connection with the assumption and assignment to the Buyer of any Assumed Contract, the cure amounts, as agreed among the applicable non-debtor counterparty, the Sellers and the Buyer, or as determined by the Bankruptcy Court, if any necessary to cure all defaults and to pay all actual or pecuniary losses that have resulted from such defaults under the Assumed Contracts, if any, including any amounts payable to any landlord under any Lease that is an Assumed Contract, in each that relates to the period prior to the Assumption Effective Date (such amounts, the "Cure Amounts"), shall be paid (i) by the Buyer, in an aggregate amount not to exceed the Cure Amounts Cap, and (ii) by the Sellers, to the extent of any Cure Amounts in excess of the Cure Amounts Cap, in each case on the Assumption Effective Date.

(g) The Sellers shall use their commercially reasonable efforts to obtain an order of the Bankruptcy Court (including the Sale Order) to assign the Assumed Contracts to Buyer (the "Assumption Approval") on the terms set forth in this Section 2.6. Except as required in Section 7.1(f), in the event the Sellers are unable to assign any such Assumed Contract or Assumed Permit to the Buyer pursuant to an order of the Bankruptcy Court for any reason, including that the Consent of a Governmental Entity or third party is necessary to assume and assign such Assumed Contracts to the Buyer (the "Necessary Consents") and such Necessary Consent has not yet been obtained, then the Parties shall use their commercially reasonable efforts until the

ninetieth (90th) day after the Closing Date (the "Consent Deadline") to obtain, and to cooperate in obtaining, all Consents from Governmental Entities and third parties necessary to assume and assign such Contract, Lease or Assumable Permit to the Buyer, including paying any applicable Cure Amounts in accordance with Section 2.6(f).

(h) Except as required under Section 7.1(f), to the extent that any Consent that is required to assign to the Buyer any Contract or Lease is not obtained by the Closing Date, the applicable Seller shall, with respect to each such Contract or Lease, from and after the Closing and until the earliest to occur of (x) the date on which such applicable Consent is obtained (which Consents the Parties shall use their commercially reasonable efforts, and cooperate with each other, to obtain promptly), and (y) the Consent Deadline, use commercially reasonable efforts to (i) provide to the Buyer the benefits under such Contract or Lease Contract, (ii) cooperate in any reasonable and lawful arrangement (including holding such Contract or Lease in trust for the Buyer pending receipt of the required Consent) designed to provide such benefits to the Buyer, and (iii) use its commercially reasonable efforts to enforce for the account of the Buyer any rights of the applicable Seller under such Contract or Lease (including the right to elect to terminate such Contract or Lease Contract in accordance with the terms thereof upon the written direction of the Buyer). The Buyer shall reasonably cooperate with the applicable Seller in order to enable the applicable Seller to provide to the Buyer the benefits contemplated by this Section 2.6(h). The Buyer shall compensate the Sellers for any reasonable, out-of-pocket, non-fixed costs with respect to any Assumed Contract for which a Necessary Consent has not been obtained until such time as either (a) such Assumed Contract is assumed by the applicable Seller and assigned to the Buyer or (b) the Buyer instructs the Seller to reject such Assumed Contract.

(i) If prior to the Closing, it is discovered that a Contract should have been listed on Section 2.6(c) of the Disclosure Schedule but was not so listed (any such Contract, a "Previously Omitted Contract"), the Sellers shall, promptly following the discovery thereof (but in no event later than five (5) Business Days following the discovery thereof), notify the Buyer in writing of such Previously Omitted Contract and provide the Buyer with a copy of such Previously Omitted Contract and the Cure Amount (if any) in respect thereof. The Buyer shall thereafter deliver written notice to the Sellers, no later than five (5) Business Days following such notice of such Previously Omitted Contract from the Sellers, if the Buyer elects to so include such Previously Omitted Contract on the Contract and Cure Schedule. In the event the Buyer and the Sellers determine that a Contract should have been listed on Section 2.6(c) of the Disclosure Schedule but was not so listed, at the Buyer's election, the Buyer shall notify the Sellers of their election to include such Previously Omitted Contract on the Contract and Cure Schedule.

(j) If the Buyer includes a Previously Omitted Contract on the Contract and Cure Schedule in accordance with Section 2.6(j), the applicable Seller shall file and serve a notice on the contract counterparties to such Previously Omitted Contract notifying such counterparties of such Seller's intention to assume and assign to the Buyer such Previously Omitted Contract, including the proposed Cure Amount (if any). Such notice shall provide such contract counterparties pursuant to the procedures set forth in the Bidding Procedures Order to object, in writing, to the Sellers and the Buyer to the assumption of its Contract or Lease. If such counterparties, the Sellers and the Buyer is unable to reach a consensual resolution with respect to the objection, the Sellers shall seek an expedited hearing before the Bankruptcy Court to seek approval of the assumption and assignment of such Previously Omitted Contract. If no objection

is timely served on the Sellers and the Buyer, then such Previously Omitted Contract shall be deemed assumed by such Seller and assigned to the Buyer pursuant to the Sale Order. The Sellers and the Buyer shall execute, acknowledge and deliver such other instruments and take commercially reasonable efforts as are reasonably practicable for the Buyer to assume the rights and obligations under such Previously Omitted Contract.

Section 2.7 Closing. The Parties agree that the closing of the purchase and sale of the Acquired Assets pursuant to this Agreement (the "Closing") shall take place electronically commencing at 10:00 a.m. (prevailing Eastern time) on the date that is the second (2nd) Business Day after the date on which all conditions to the obligations of the Sellers and the Buyer to consummate the transactions contemplated hereby set forth in Article VII have been satisfied or waived (other than conditions with respect to actions that either or both the Sellers and the Buyer will take at the Closing itself, but subject to the satisfaction or waiver (by the Party entitled to waive such condition) of those conditions), or at such other time or on such other date as shall be mutually agreed upon by the Sellers and the Buyer prior thereto (the "Closing Date"); provided, however, the Closing shall occur prior to the End Date. The date and time on and at which the Closing actually occurs is referred to in this Agreement as the "Closing Date."

Section 2.8 Deliveries at Closing.

(a) At the Closing, the Sellers shall deliver to the Buyer the following documents and other items, duly executed by the Sellers, as applicable:

(i) the Acquired Assets;

(ii) Bills of Sale executed by each Seller relating to the Acquired Assets, each in form and substance reasonably acceptable to the Sellers and the Buyer (the "Bills of Sale");

(iii) an Assignment and Assumption Agreement in form and substance reasonably acceptable to the Sellers and the Buyer (the "Assignment and Assumption Agreement");

(iv) intellectual property assignments in form and substance reasonably acceptable to the Sellers and the Buyer together with any short-form assignments requested by the Buyer for recordation with the U.S. Patent and Trademark Office, the U.S. Copyright Office or any other Governmental Entity or domain name registrar (collectively, the "Intellectual Property Assignments");

(v) one or more Transition Services Agreements, in form and substance reasonably satisfactory to the Buyer and the applicable Sellers (each a "Transition Services Agreement");

(vi) a certificate signed by an authorized officer of each Seller to the effect that each of the conditions specified in Section 7.1(a) and Section 7.1(b) is satisfied in accordance with the terms thereof; and

(vii) from each Seller, a duly completed and executed Internal Revenue Service Form W-9 certifying that such Seller is a "U.S. person" and is not subject to United States backup withholding.

(b) At the Closing, the Buyer shall deliver to the Sellers, the following documents, consideration and other items, duly executed by the Buyer, as applicable:

(i) the Closing Cash Payment;

(ii) the Credit Bid, by delivering a release of the Prepetition Obligations covered by the Credit Bid and a release of all security interests and liens on the Acquired Assets securing the Prepetition Obligations (the "Credit Bid and Release");

(iii) the Assignment and Assumption Agreement;

(iv) an Intellectual Property Assignment duly executed by each Buyer;

(v) the Transition Services Agreement;

(vi) a certificate to the effect that each of the conditions specified in Section 7.2(a) and Section 7.2(b) is satisfied in accordance with the terms thereof; and

(vii) a copy of the Buyer's certificate of incorporation, certificate of formation or other formation document certified as of a date on or soon before the Closing Date by the Secretary of State (or comparable governmental officer) of the respective jurisdictions of the Buyer's incorporation or organization.

(c) At the Closing, the Buyer shall deliver to the Persons indicated in the Equipment Payoff Statement, the Equipment Payoff Amount.

Section 2.9 Allocation. As soon as reasonably practicable and in no event later than sixty (60) days after the Closing Date, the Buyer shall provide the Sellers with a draft allocation of the Purchase Price for federal income tax purposes, including any liabilities properly included therein among the Acquired Assets and the agreements provided for herein, for federal, state and local income tax purposes (the "Initial Allocation"). In the event the Buyer fails to provide the Initial Allocation within such sixty (60) day period, then Sellers, may elect to deliver the Initial Allocation for review by Buyer pursuant to the following procedures. Within forty-five (45) days of the receipt of the Initial Allocation, the Sellers may deliver a written notice (the "Allocation Objection Notice") to the Buyer, setting forth in reasonable detail those items in the Initial Allocation that the Sellers dispute, if any. The Sellers may make reasonable inquiries of the Buyer and its accountants and Service Providers relating to the Initial Allocation, and the Buyer shall use reasonable efforts to cause any such accountants and Service Providers to cooperate with, and provide such requested information to, the Sellers in a timely manner. If prior to the conclusion of such forty-five (45)-day period, the Sellers notify the Buyer in writing that they will not provide any Allocation Objection Notice or if the Sellers do not deliver an Allocation Objection Notice within such forty-five (45)-day period, then the Buyer's proposed Initial Allocation shall be deemed final, conclusive and binding upon each of the Parties. Within thirty (30) days of the Sellers' delivery of the Allocation Objection Notice, the Sellers and the Buyer shall attempt to

resolve in good faith any disputed items, and failing such resolution, the unresolved disputed items shall be referred for final binding resolution to a mutually agreeable accounting firm (the "Arbitrating Accountant"). The fees and expenses of the Arbitrating Accountant shall be paid fifty percent (50%) by the Buyer and fifty percent (50%) by the Sellers. Such determination by the Arbitrating Accountant shall be (i) in writing, (ii) furnished to the Buyer and the Sellers as soon as practicable (and in no event later than thirty (30) days after the items in dispute have been referred to the Arbitrating Accountant), (iii) made in accordance with the principles set forth in this Section 2.9, and (iv) non-appealable and incontestable by the Buyer and the Sellers. As used herein, the "Allocation" means the allocation of the Purchase Price, the Assumed Liabilities and other related items among the Acquired Assets and the agreements provided for herein as finally agreed between the Buyer and the Sellers or ultimately determined by the Arbitrating Accountant, as applicable, in accordance with this Section 2.9. The Allocation shall be prepared in accordance with IRC Section 1060 and the treasury regulations promulgated thereunder (and any similar provision of state, local or foreign Law, as appropriate). The Buyer and the Sellers shall each report the federal, state and local income and other Tax consequences of the transactions contemplated hereby in a manner consistent with the Allocation, including, if applicable, the preparation and filing of Forms 8594 under IRC Section 1060 (or any successor form or successor provision of any future Tax Law) with their respective federal income Tax Returns for the taxable year which includes the Closing Date, and neither will take any position inconsistent with the Allocation unless otherwise required under applicable Law. The Sellers shall provide the Buyer, and the Buyer shall provide the Sellers, with a copy of any information required to be furnished to the Secretary of the Treasury under IRC Section 1060.

Section 2.10 Proration of Taxes and Other Items. Except as otherwise provided in this Agreement with respect to Tax items allocable to a particular Party, to the extent that any of the items listed below in this Section 2.10 are paid by the Sellers prior to the Closing or are payable by the Buyer or the Sellers after the Closing Date, such items shall be apportioned as of the Closing Date such that (i) the Sellers shall be liable for (and shall reimburse the Buyer to the extent that the Buyer shall pay) that portion of such of the foregoing relating or attributable to periods prior to the Closing Date; and (ii) the Buyer shall be liable (and shall reimburse the Sellers, to the extent the Sellers shall have paid) that portion of the foregoing relating or attributable to periods on or after the Closing Date. Should any amounts to be prorated not have been finally determined on the Closing Date, a mutually satisfactory estimate of such amounts made on the basis of the Sellers' records shall be used as a basis for settlement at the Closing, and the amount finally determined will be prorated as of the Closing Date and appropriate settlement made as soon as practicable after such final determination, with final settlement to be made no later than sixty (60) days after the Closing Date. The items to be prorated in accordance with this Section 2.10 shall include, without limitation: (a) personal property, real estate, retail sales, occupancy and use Taxes, if any, on or with respect to the Business, the Acquired Assets and/or the Assumed Liabilities, except to the extent the date of the assessment of such Taxes falls before the Closing Date, in which case such Taxes shall be Excluded Liabilities; (b) lease payments under any Assumed Contract that is a Lease for the month in which the Closing occurs; and (c) insurance premiums of any policies acquired by the Buyer at the Closing. The Sellers and the Buyer agree to furnish each other with such documents and other records as each Party reasonably requests in order to confirm all adjustment and proration calculations made pursuant to this Section 2.10.

Section 2.11 Deposit Amount.

(a) Upon the Buyer's execution of the Initial Agreement, Buyer remitted an earnest-money deposit in the amount of $2,000,000.00 to a non-interest-bearing third-party escrow account maintained by a third-party escrow agent, and within one Business Day of the Buyer's execution of this Agreement, the Buyer shall remit an additional amount of $925,000.00 to such non-interest-bearing third-party escrow account maintained by a third-party escrow agent (collectively, the "Cash Deposit Amount"), by wire transfer of immediately available funds. In addition, if this Agreement is terminated pursuant to Section 2.11(b)(ii), Buyer will cancel a portion of the Prepetition Obligations in an amount equal to $2,925,000.00 (the "Debt Cancellation Deposit," and together with the Cash Deposit Amount, the "Deposit Amount").

(b) The Cash Deposit Amount shall be delivered to either the Buyer or the Sellers as follows:

(i) if the Closing shall occur, the Cash Deposit Amount shall be delivered to the Seller at Closing and applied towards the Purchase Price payable by the Buyer pursuant to Section 2.5;

(ii) if this Agreement is terminated pursuant to (A) Section 8.1(a)(iii), or (B) Section 8.1(a)(vi), solely to the extent that all conditions to Closing set forth in Article VII have been satisfied or waived, in each case in accordance with the terms set forth in Article VII (other than conditions with respect to actions that either or both the Seller and the Buyer will take at the Closing itself, but which are capable of being satisfied if the Closing were to occur), the Cash Deposit Amount shall be delivered to the Sellers; or

(iii) if this Agreement is terminated other than in a manner described in Section 2.11(b)(ii), the Deposit Amount shall be delivered to the Buyer.

(c) The Parties acknowledge that the agreements contained in this Section 2.11 are an integral part of the transactions contemplated in this Agreement, that the damages resulting from termination of this Agreement under circumstances where the Sellers are entitled to the Deposit Amount are uncertain and incapable of accurate calculation and that the delivery of the Deposit Amount pursuant to Section 2.11(b)(ii) is not a penalty but rather shall constitute liquidated damages in a reasonable amount that will compensate the Sellers in the circumstances where the Sellers are entitled to the Deposit Amount for the efforts and resources expended and opportunities forgone while negotiating this Agreement and in reliance on this Agreement and on the expectation of the consummation of the transactions contemplated hereby, and that, without these agreements, the Sellers and the Buyer would not enter into this Agreement. Notwithstanding anything to the contrary in this Agreement, without limiting the Sellers' rights under Section 9.9, in the event the Buyer breaches this Agreement (including failure to consummate the Closing and the transactions contemplated thereby), (i) the Sellers' sole remedy shall be to terminate this Agreement in accordance with any applicable provision of Section 8.1 and, if applicable, to retain the Deposit Amount and (ii) in no event shall the Buyer have any Liability to the Sellers other than the Deposit Amount as set forth in this Section 2.11.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE SELLERS.

Each Seller represents and warrants to the Buyer that except as set forth in the disclosure schedule accompanying this Agreement (the "Disclosure Schedule"), as of the date hereof and as of Closing:

Section 3.1 Organization of Each Seller; Good Standing.

(a) Such Seller is a limited liability company or corporation duly organized, validly existing and in good standing under the Laws of its jurisdiction of formation or incorporation.

(b) Such Seller has all requisite limited liability company or corporate power and authority to own, lease and operate its assets and to carry on the Business as currently conducted.

(c) Such Seller is duly authorized to do business and is in good standing as a foreign limited liability company or corporation in each jurisdiction where the ownership or operation of the Acquired Assets or the conduct of the Business requires such qualification, except for failures to be so authorized or be in such good standing, as would not, individually or in the aggregate, have a Material Adverse Effect.

(d) Except as set forth on Section 3.1(d) of the Disclosure Schedule, such Seller has no Subsidiaries. Except as set forth on Section 3.1(d) of the Disclosure Schedule, all outstanding equity interests of each Subsidiary of such Seller are held of record by such Seller and beneficially owned by such Seller, all outstanding equity interests of each Subsidiary, if any, of such Seller have been duly authorized and are fully paid and non-assessable. There are no outstanding or authorized, and there is no obligation of any Subsidiary of such Seller to issue or grant, any options, warrants, purchase rights, subscription rights, conversion rights, exchange rights, preemptive rights, redemption rights, repurchase rights, rights of first refusal or other rights, or Contracts that could require any Subsidiary of such Seller to issue, sell or otherwise cause to become outstanding or that otherwise relate to the equity interests of any Subsidiary of such Seller or to redeem or otherwise acquire any of its outstanding equity interests, or obligate any Subsidiary of such Seller to grant, extend or enter into any such agreements.

Section 3.2 Authorization of Transaction. Subject to the Sale Order having been entered and still being in effect and not subject to any stay pending appeal at the time of Closing:

(a) Such Seller has all requisite limited liability company or corporate power and authority to execute and deliver this Agreement and all Related Agreements to which it is a party and to perform its obligations hereunder and thereunder; the execution, delivery and performance of this Agreement and all Related Agreements to which such Seller is a party have been duly authorized by such Seller, and no other limited liability company or corporate action on the part of such Seller is necessary to authorize this Agreement or the Related Agreements to which it is party or to consummate the transactions contemplated hereby or thereby; and

(b) This Agreement has been duly and validly executed and delivered by such Seller, and, upon execution and delivery in accordance with the terms of this Agreement, each of the Related Agreements to which such Seller is a party will have been duly and validly executed and delivered by such Seller. Assuming that this Agreement constitutes a valid and legally binding obligation of the Buyer, this Agreement constitutes the valid and legally binding obligations of such Seller, enforceable against such Seller in accordance with its terms and conditions, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity. Assuming, to the extent that it is a party thereto, that each Related Agreement constitutes a valid and legally binding obligation of the Buyer, each Related Agreement to which such Seller is a party, when executed and delivered, constituted or will constitute the valid and legally binding obligations of such Seller, as applicable, enforceable against such Seller in accordance with their respective terms and conditions, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

Section 3.3 Noncontravention; Consents and Approvals.

(a) Neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby (including the assignments and assumptions referred to in Article II), will, subject to the Sale Order having been entered and still being in effect and not subject to any stay pending appeal at the time of Closing, (i) conflict with or result in a breach of the certificate of incorporation, certificate of formation, limited liability company agreement, by-laws or other organizational documents of such Seller, (ii) violate any Law to which such Seller is, or its respective assets or properties are, subject, or (iii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify or cancel or require any Consent or notice under any Contract to which such Seller is a party or by which it is bound or to which any of the Acquired Assets is subject, except as set forth on Section 3.3(a) of the Disclosure Schedule, and in the case of clause (ii) or (iii), for such violations, conflicts, breaches, defaults, accelerations, rights or failures to give notice that are not, or not reasonably likely to be, material.

(b) Subject to the Sale Order having been entered and still being in effect and not subject to any stay pending appeal at the time of Closing and except as set forth on Section 3.3(b) of the Disclosure Schedule, no Consent, notice or filing is required to be obtained by such Seller from, or to be given by such Seller to, or made by such Seller with, any Governmental Entity in connection with the execution, delivery and performance by such Seller of this Agreement or any Related Agreement. Subject to the Sale Order having been entered and still being in effect (and not subject to any stay pending appeal at the time of Closing) and except as set forth on Section 3.3(b) of the Disclosure Schedule, no Consent, notice or filing is required to be obtained by such Seller from, or to be given by such Seller to, or made by such Seller with, any Person that is not a Governmental Entity in connection with the execution, delivery and performance by such Seller of this Agreement or any Related Agreement and except where the failure to give notice, file or obtain such authorization, consent or approval would not, individually or in the aggregate, have a Material Adverse Effect.

Section 3.4 Title to Acquired Assets.

(a) Each Seller has good and valid title to, or, in the case of leased assets, has good and valid leasehold interests in, the Acquired Assets, and at the Closing will convey the Acquired Assets free and clear of all Liens (except for Permitted Liens).

(b) Except (i) as would not, individually or in the aggregate, reasonably be expected to be material to the Business taken as a whole, (ii) for any employees of the Business who do not become Transferred Employees and (iii) for the services provided under the Transition Services Agreement, the Acquired Assets to be conveyed to the Buyer in the aggregate hereunder at Closing constitute (A) all the properties, rights and other assets necessary, and are sufficient, to carry on the Business as it is currently conducted by the Sellers and (B) except for the Excluded Assets, all of the assets owned or held for use by the Sellers in the conduct of the Business. No Subsidiaries of either Seller (other than Wellmade Industries, in the case of WFCI) hold any assets that are used in the Business.

Section 3.5 Contracts.

(a) Section 3.5(a) of the Disclosure Schedule sets forth a true, correct and complete list of all Material Contracts to which any Seller is a party with respect to the Business and copies of all such Contracts and all other material Contracts or instruments entered into or delivered in connection therewith, as amended through the date hereof, have been delivered to or made available to the Buyer. Section 3.5(a) of the Disclosure Schedule specifically identifies the following Contracts related to the Business to which such Seller is a party with respect to the Business or by which the Business is bound (each item disclosed or required to be disclosed on Section 3.5(a) of the Disclosure Schedule, a "Material Contract"):

(i) any Contract for the lease of personal property to or from any Person providing for lease payments in excess of $50,000 per annum;

(ii) any Contract for the purchase or sale of equipment, supplies, products, goods on order, Inventory (as defined in the UCC) or other personal property, the performance of which will extend over a period of more than six months after the Closing Date or involves consideration in excess of $50,000 per annum;

(iii) any Contract, excluding any employment Contract, for services, including services performed by any Service Provider involving consideration in excess of $50,000 per annum;

(iv) any Contract (whether an offer letter, employment Contract or independent contractor Contractor) providing for services performed by any Service Provider involving consideration in excess of $50,000 per annum;

(v) any Contract that is a Collective Bargaining Agreement;

(vi) any Contract with a professional employer organization, temporary employment agency, staffing agency, leasing agency, or other labor contractor;

(vii) any licenses of Intellectual Property to or from any Person (other than licenses for commercially available, off-the-shelf, or click-wrap software);

(viii) any Contract prohibiting such Seller from freely engaging in any material business (other than pursuant to any radius restriction contained in any lease, reciprocal easement or development, construction, operating or similar agreement);

(ix) any Contract relating to Indebtedness;

(x) any Contract (including the Leases) that involves the lease of real property or that obligates such Seller to purchase real property;

(xi) any Contract granting to any Person an option or a first refusal, first-offer, or similar preferential right to purchase or acquire any of the Acquired Assets;

(xii) any Contract that creates or governs a partnership, joint venture, strategic alliance or similar arrangement;

(xiii) any Contract with (A) any Related Party or (B) any Affiliate of such Seller relating to services necessary for the operation of the Business provided by such Affiliate to Seller and other Affiliates of Seller;

(xiv) any Contract with a qualifying license holder pursuant to which such Person qualifies a license or licenses on behalf of such Seller; and

(xv) any Contract between such Seller (or its predecessor-in-interest) and any Person restricting the ability of such Person (A) to engage in, or to compete with any other Person in, any business, including each Contract containing exclusivity provisions restricting the geographical area in which, or the method by which, any business may be conducted by such Person, or (B) to solicit any Person.

(b) Each Material Contract is valid and binding on the Seller party thereto in accordance with its terms and is in full force and effect. Except as set forth on Section 3.5 of the Disclosure Schedule, none of the Sellers or, to the Sellers' Knowledge, any other party thereto is in breach of or default under (or is alleged to be in breach of or default under), or has provided or received any notice of any intention to terminate, any Material Contract.

Section 3.6 Legal Compliance. Such Seller is in material compliance with all Laws applicable to the Business or the Acquired Assets, and such Seller has not received any written notice within the past twelve (12) months relating to violations or alleged violations or material defaults under any Law, Decree or any Permit, in each case, with respect to the Business or the Acquired Assets.

Section 3.7 Litigation. Except as set forth on Section 3.7 of the Disclosure Schedule, there is, and for the past twelve (12) months there has been, no Litigation pending or, to the Knowledge of the Sellers, threatened, before any Governmental Entity or arbitral body brought by or against such Seller, whether on an individual or a class-action basis, and including any investigations by any attorney general or similar office on behalf of any Governmental Entity, that, if adversely determined, would be material to the Business or materially impair such Seller's ability to consummate the transactions contemplated hereby or by the Related Agreements.

Section 3.8 Environmental, Health and Safety Matters.

(a) Except as set forth on Section 3.8 of the Disclosure Schedule, each Seller is in compliance in all material respects with all applicable Environmental, Health and Safety Requirements with respect to the Leased Real Property, and there are no material Liabilities under any Environmental, Health and Safety Requirements with respect to the Business. There has been no release of hazardous substances or materials in contravention of any environmental law with respect to the Business, the Acquired Assets or the Leased Real Property, and no Seller has received any notice from a governmental authority or similar governing body that the Business or any of the Acquired Assets or Leased Real Property has been contaminated with any hazardous substance or material which would reasonably be expected to result in an claim against, or a violation of applicable law or term of any environmental permit by, any Seller.

(b) Except as set forth on Section 3.8 of the Disclosure Schedule, since January 1, 2022, such Seller has not received any written notice or report regarding any violation of Environmental, Health and Safety Requirements or any Liabilities relating to the Business or any Leased Real Property arising under Environmental, Health and Safety Requirements. There are no Decrees outstanding, or any Litigation pending or, to the Knowledge of the Sellers, threatened, relating to compliance with or Liability under any Environmental, Health and Safety Requirements affecting the Business or any Leased Real Property.

(c) Such Seller has made available to the Buyer such environmental reports, documents, studies, analyses, investigations, audits and reviews in such Seller's possession as necessary to reasonably disclose to the Buyer any material environmental, health or safety Liability known to such Seller with respect to the Leased Real Property.

Section 3.9 Employees and Employment Matters.

(a) Section 3.9(a) of the Disclosure Schedule sets forth the following information for each Service Provider: (i) name or employees identification number (ii) status as an employee, contractor or third-party agency worker, (ii) job title, (iii) start date, (iv) full-time or part-time status, (v) employing or engaging entity, (vi) exempt or non-exempt classification (if an employee), (vii) annual salary, hourly wage rate (as applicable) or other service fee, (viii) work location (by city, state and country, with a separate column for each), (ix) any estimated or target annual incentive compensation, including bonus or commission opportunity, (x) leave status (including type of leave, start date, and anticipated return date, if known), (xi) work authorization or permit details (including type of work authorization or permit, dates of validity and sponsoring entity) (the "Service Provider List"). Apart from the individuals listed on the Service Provider List, Sellers do not employ or engage any person who has performed services for or on behalf of the Business at any time during the last twelve (12) months.

(b) No Seller is a party to or bound by any Collective Bargaining Agreement covering any Service Provider , nor has any of them experienced any strike, walkout, work stoppage, picketing, hand billing, unfair labor practice charge, material labor grievance, material labor arbitration or other material collective bargaining or labor dispute or union organizing activities against or affecting such Seller (with respect to the Business) or involving any Service Provider or other material collective bargaining dispute with respect to the Business within the

three (3) years prior to the date hereof. No Seller has committed any unfair labor practice within the three (3) years prior to the date hereof. Within the twelve (12) months prior to the date hereof, no Seller has implemented any plant closing or layoff of any Service Providers in violation of the United States Worker Adjustment and Retraining Notification Act, or any similar applicable Law (collectively, the "WARN Act"). Except as set forth on Section 3.9(b) of the Disclosure Schedule, no Seller is a party to any pending, or, to the Knowledge of the Sellers, threatened employment-related matters, and is in material compliance with all employment Laws.

(c) Except as set forth on Section 3.9(c) of the Disclosure Schedule, there are no written employment contracts or severance agreements with any Service Providers.

(d) All employees of the Business are employed at-will. Except as set forth in Section 3.9(d) of the Disclosure Schedule, since July 1, 2022, no Seller has (i) granted any bonuses, whether monetary or otherwise, or increased any wages, salary, severance, pension or other compensation or benefits in respect of any current or former employees, officers, directors, independent contractors, or consultants of the Business other than in the ordinary course of business, (ii) changed the terms of employment for any employee of the Business in any material respect (and other than any change made in the ordinary course of business). Each Seller is in compliance in all material respects, with all applicable employment laws and regulations, including those relating to wages (including wage transparency and wage statements), pay disclosure, classification of employees, vacation, accruals, wage and hours, overtime, meal and rest breaks, reimbursements, leaves of absence, human rights, equal opportunity, pay equity, accessibility, fair labor standards, employment standards, nondiscrimination, workers compensation, occupational health and safety, labor relations, restrictive covenants or other similar agreements, collective bargaining, immigration, and the payment of social security and other payroll Taxes.

Section 3.10 Employee Benefit Plans.

(a) Section 3.10 of the Disclosure Schedule lists each Employee Benefit Plan that such Seller maintains with respect to the Transferred Employees. With respect to each such Employee Benefit Plan:

(i) such plan, if intended to meet the requirements of a "qualified plan" under Section 401(a) of the IRC, has received a favorable determination letter from the United States Internal Revenue Service or may rely on a favorable opinion letter issued by the Unites States Internal Revenue Service; and

(ii) Such Seller has made available to the Buyer summaries of all such Employee Benefit Plans.

(b) Each Employee Benefit Plan has been established, funded, maintained and administered, in each case, in all material respects, in accordance with its terms and all applicable Laws. There is no material pending or, to the Knowledge of the Sellers, threatened, Litigation relating to the Employee Benefit Plans. Such Seller does not maintain, sponsor or contribute to, and has not maintained, sponsored or contributed to, (i) any plan subject to Title IV of ERISA, Section 302 of ERISA or Section 412 of the IRC, (ii) any "multiemployer plan" (as defined in

Section 3(37) of ERISA), (iii) any "multiple employer plan" (as defined in Section 413(c) of the IRC), or (iv) any "multiple employer welfare arrangement" (as defined in Section 3(40) of ERISA).

Section 3.11 Leased Real Property.

(a) Neither Seller owns any real property. Section 3.11(a) of the Disclosure Schedule sets forth the address of each Leased Real Property, and a true and complete list of all Leases for such Leased Real Property. The Leased Real Property constitutes all of the real property leased, occupied or otherwise used in connection with the Business as currently conducted.

(b) Such Seller has made available to the Buyer true and complete copies of such Leases. With respect to each of the Leases:

(i) such Lease is legal, valid, binding, enforceable and in full force and effect against such Seller subject to proper authorization and execution of such Lease by the other party thereto and the application of any bankruptcy or other creditor's rights Laws;

(ii) other than as set forth on Section 3.11(b) of the Disclosure Schedule, except as to the pendency of Sellers' Chapter 11 Cases, such Seller is not in breach or default under such Lease; and

(iii) all utilities currently servicing the Leased Real Property used in the Business are installed, connected and operating, with all charges paid in full and there are no inadequacies in any material respect with respect to such utilities.

(c) There are no defects, rights, violations, directives, notices, judgments, orders, licenses, permits or conditions affecting such Leased Real Property which could be expected to materially impair or restrict the future use of such Leased Real Property or the conduct of the Business by the Buyer immediately following the Closing. Such Leased Property has been operated and maintained in compliance, in all material respects, with applicable law.

Section 3.12 Permits. Section 3.12 of the Disclosure Schedule contains a list of all material Permits that such Seller holds in connection with the operations of the Business and whether such Permits are Assumable Permits. All such Permits are in full force and effect, and all fees and charges with respect to the Permits have been paid in full as of the date hereof. There is no Litigation pending, nor to the Knowledge of the Sellers, threatened, that seeks the revocation, cancellation, suspension, failure to renew or adverse modification of any material Permits. Other than Sellers' Chapter 11 Cases, to the Knowledge of Seller, no event has occurred that, with or without notice or lapse of time or both, would reasonably be expected to result in the revocation or suspension of any material Assumable Permit.

Section 3.13 Insurance. Section 3.13 of the Disclosure Schedule contains a list of all primary, excess and umbrella insurance policies, bond and other forms of material insurance owned or held by or on behalf, or providing insurance coverage to the Business, such Seller and its operations, properties and assets (collectively, the "Insurance Policies"), excluding director and officer, fiduciary or executive liability policies. The term "Insurance Policies" does not include policies of insurance that fund or relate to any Employee Benefit Plan. All of the Insurance Policies

are in full force and effect and no written notice of cancellation or termination has been received by the Sellers with respect to any of the Insurance Policies.

Section 3.14 Absence of Changes. Except as set forth on Section 3.14 of the Disclosure Schedule, except with respect to the Sellers' Chapter 11 Cases, since January 1, 2025, the Business has been conducted only in the Ordinary Course of Business, and there is no state of facts, change, event, effect, development, condition, circumstance or occurrence that has occurred or, to the Knowledge of the Sellers, been threatened that (when taken together with all other states of fact, changes, events, effects, developments, conditions, circumstances or occurrences) has had or is reasonably likely to have, a Material Adverse Effect. Without limiting the generality of the foregoing sentence, except with respect to the Sellers' Chapter 11 Cases, since January 1, 2025, such Seller used commercially reasonable efforts to (i) preserve intact its current business organization in all material respects and qualifications to conduct business and (ii) retain and keep available the services of certain key employees and contractors necessary to conducts its business in all material respects. Without limiting the generality of the first sentence of this Section, since January 1, 2025, there has not been any transfer, assignment, sale, or other disposition of any of the Acquired Assets shown or reflected in the Financial Statements, except for the sale of inventory in the Ordinary Course of Business, and there has not been any material damage, destruction or loss, or any material interruption in use, of any Acquired Assets, whether or not covered by insurance.

Section 3.15 Intellectual Property. Section 3.15 of the Disclosure Schedule sets forth a true and complete list of all Intellectual Property owned by such Seller that is an issued patent, a registration or an application for a patent or registration and all material unregistered trademarks and software owned by such Seller. In addition, Section 3.15 of the Disclosure Schedule sets forth a true and complete list of all material Intellectual Property used by each such Seller (other than licenses for commercially available, off-the-shelf or click-wrap software). All such Intellectual Property and all rights therein or associated therewith are valid and enforceable. The use and commercial exploitation of the Intellectual Property Assets has not infringed or otherwise violated, and does not infringe or otherwise violate, any Intellectual Property of any other Person and, to the Sellers' Knowledge, no Person is infringing or otherwise violating the Intellectual Property Assets of the Sellers.

Section 3.16 Taxes. Each Seller has complied with all Laws relating to Taxes in all material respects. Each Seller has timely filed all income and other material Tax Returns required to be filed by it with respect to the Business, Acquired Assets or Transferred Employees and all such Tax Returns were true, correct and complete in all respects. All Taxes due and owing by the Sellers (including Taxes withheld or required to have been withheld by the Sellers) have been timely paid in full. There are no Liens for Taxes (other than Permitted Liens) on any of the Acquired Assets. No Seller has been audited by any federal, state, or local taxing authority, and there are no Tax audits, assessments or other actions in process or pending with respect to the Business, Acquired Assets or Transferred Employees. No Seller has (i) received from any Governmental Entity any Tax ruling, administrative relief, technical advice or change of method of accounting relating to or affecting the Business, Acquired Assets or Transferred Employees or made any request therefor that is still pending or (ii) executed or entered into a closing agreement relating to or affecting the Business, Acquired Assets or Transferred Employees pursuant to Section 7121 of the IRC or any predecessor provision thereof or any similar provision of any Law.

No Seller has received a written claim from a Governmental Entity in a jurisdiction in which it does not file a Tax Return that it may be subject to taxation by (or required to file a Tax Return in) that jurisdiction that has not yet been settled or otherwise resolved. No Seller has waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a material Tax assessment or deficiency, which waiver or extension is currently effective, nor has any Seller made any request in writing for any such extension or waiver that is currently outstanding. No Seller has commenced a voluntary disclosure proceeding in any state or local or non-U.S. jurisdiction that has not been fully resolved or settled (and paid).

Section 3.17 Affiliate Transactions. Except as set forth in Section 3.17 of the Disclosure Schedule, no officer, director, member, partner, employee or Affiliate of such Seller, or any individual related by blood, marriage or adoption to any such Person (a) is a party to any Contract, commitment or transaction with any Seller, or (b) has any interest in any Acquired Asset or other property used by any Seller (including any proprietary or Intellectual Property rights) in connection with the Business.

Section 3.18 Financial Statements. Attached hereto as Section 3.18 of the Disclosure Schedule are each Seller's internal income statement for the fiscal year ending on December 31, 2024 (the "Financial Statements"). Each of the attached Financial Statements has been prepared on a consistent basis throughout the periods covered thereby and, to the Sellers' Knowledge, presents fairly in all respects the results of operations of such Seller for such periods, and are consistent with the books and records of such Seller (which books and records are correct and complete in all material respects).

Section 3.19 Brokers' Fees. None of the Sellers nor any of their Affiliates has entered into any Contract to pay any fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement for which the Buyer could become liable or obligated to pay.

Section 3.20 No Other Representations or Warranties. Except for the representations and warranties contained in this Article III (as qualified, amended, supplemented and modified by the Disclosure Schedule) and the Related Agreements, neither such Seller nor any other Person makes (and the Buyer is not relying upon) any other express or implied representation or warranty with respect to such Seller, the Business, the Acquired Assets (including the value, condition or use of any Acquired Asset), the Assumed Liabilities or the transactions contemplated by this Agreement, and such Seller disclaims any other representations or warranties, whether made by such Seller, any other Seller, any Affiliate of any Seller or any of their respective officers, directors, employees, agents or Representatives. Except for the representations and warranties contained in this Article III (as qualified, amended, supplemented and modified by the Disclosure Schedule) and the Related Agreements, such Seller (i) expressly disclaims and negates any representation or warranty, express or implied, at common law, by statute or otherwise, relating to the condition of the Acquired Assets (including any implied or expressed warranty of title, merchantability or fitness for a particular purpose, or of the probable success or profitability of the ownership, use or operation of the Business or the Acquired Assets by the Buyer after the Closing), 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 the Buyer or its Affiliates or Representatives (including any opinion, information, projection or advice that may have been

or may be provided to the Buyer by any director, officer, employee, agent, consultant or Representative of such Seller). The disclosure of any matter or item in the Disclosure Schedule 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.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE BUYER

The Buyer represents and warrants to the Sellers as of the date hereof and as of the Closing as follows:

Section 4.1 **Organization of the Buyer**. The Buyer is a limited liability company duly organized, validly existing and in good standing under the Laws of the State of Delaware and has all requisite limited liability company power and authority to own, lease and operate its assets and to carry on its business as now being conducted.

Section 4.2 **Authorization of Transaction**.

(a) The Buyer has full power and authority to execute and deliver this Agreement and all Related Agreements to which it is a party and to perform its obligations hereunder and thereunder.

(b) The execution, delivery and performance of this Agreement and all other Related Agreements to which the Buyer is a party have been duly authorized by the Buyer, and no other limited liability company action on the part of the Buyer is necessary to authorize this Agreement or the Related Agreements to which it is a party or consummate the transactions contemplated hereby or thereby.

(c) This Agreement has been duly and validly executed and delivered by the Buyer, and, upon execution and delivery of the Related Agreements in accordance with the terms of this Agreement, each of the Related Agreements to which the Buyer is a party will have been duly and validly executed and delivered by the Buyer. Assuming that this Agreement constitutes a valid and legally binding obligation of the Sellers, this Agreement constitutes a valid and legally binding obligation of the Buyer, enforceable against the Buyer in accordance with its terms and conditions, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity. Assuming that each Related Agreement constitutes a valid and legally binding obligation of the Sellers, each Related Agreement to which the Buyer is a party, when executed and delivered, constituted or will constitute the valid and legally binding obligations of the Buyer, enforceable against the Buyer in accordance with the respective terms and conditions or the Related Agreements, subject to applicable bankruptcy, insolvency, moratorium or other similar Laws relating to creditors' rights and general principles of equity.

Section 4.3 **Noncontravention**. Neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby (including the assignments and assumptions referred to in Article II), will (i) conflict with or result in a breach of the certificate of formation, or limited liability company agreement, or other organizational documents of the Buyer, (ii) subject to any consents required to be obtained from any Governmental Entity, violate any

Law to which the Buyer is, or its assets or properties are subject, or (iii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify or cancel, or require any notice under any Contract to which the Buyer is a party or by which it is bound, except, in the case of either clause (ii) or (iii), for such conflicts, breaches, defaults, accelerations, rights or failures to give notice as would not, individually or in the aggregate, reasonably be expected to prevent, materially delay or materially impair the ability of the Buyer to consummate the transactions contemplated by this Agreement or by the Related Agreements. The Buyer is not required to give any notice to, make any filing with or obtain any authorization, consent or approval of any Governmental Entity in order for the Parties to consummate the transactions contemplated by this Agreement or any of the Related Agreement, and except where the failure to give notice, file or obtain such authorization, consent or approval would not, individually or in the aggregate, reasonably be expected to prevent, materially delay or materially impair the ability of the Buyer to consummate the transactions contemplated by this Agreement or by the Related Agreements.

Section 4.4 Litigation. As of the date hereof, (i) the Buyer is not subject to any outstanding Decree and (ii) the Buyer is not a party or, to the Knowledge of the Buyer, received any credible, written threat that it will be made a party to any Litigation, in either case, which would be reasonably likely to materially prevent, restrict or delay the consummation of the transactions contemplated hereby or by any Related Agreement.

Section 4.5 Brokers' Fees. Neither the Buyer nor any of its Affiliates has entered into any Contract to pay any fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement for which Sellers could become liable or obligated to pay.

Section 4.6 Financial Capacity. The Buyer (a) will have at the Closing the resources (including sufficient funds available to pay the Closing Cash Payment and any other expenses and payments incurred by the Buyer in connection with the transactions contemplated by this Agreement) and capabilities (financial or otherwise) to perform its obligations hereunder, and (b) has not incurred any obligation, commitment, restriction or Liability of any kind that would reasonably be expected to impair or adversely affect such resources and capabilities.

Section 4.7 Condition of the Business. Notwithstanding anything contained in this Agreement to the contrary, the Buyer acknowledges and agrees that the Sellers are not making any representations or warranties whatsoever, express or implied, beyond those expressly set forth in Article III (as amended, supplemented and modified by the Disclosure Schedule) and the Related Agreements, and the Buyer acknowledges and agrees that, except for the representations and warranties contained therein, the Acquired Assets and the Business are being transferred on a "where is" and, as to condition, "as is" basis. Any claims the Buyer or any of its Affiliates may have for breach of representation or warranty shall be based solely on the representations and warranties set forth in Article III (as amended, supplemented and modified by the Disclosure Schedule) and the Related Agreements. The Buyer further represents that no Seller nor any other Person has made, and the Buyer is not relying upon, any representation or warranty, express or implied, as to the accuracy or completeness of any information regarding any Seller, the Business or the transactions contemplated by this Agreement not expressly set forth in Article III and the Related Agreements, and no Seller or any other Person will have or be subject to any liability to

the Buyer or any other Person resulting from the distribution to the Buyer or any of its Representatives or the Buyer's use of any such information. The Buyer represents that it is a sophisticated entity that was advised by knowledgeable counsel and financial and other advisors and hereby acknowledges that it has conducted, to its satisfaction, its own independent investigation and analysis of the Business (including its financial condition), the Acquired Assets and the Assumed Liabilities and, in making the determination to proceed with the transactions contemplated by this Agreement, the Buyer has relied solely on the results of its own independent investigation and the express representations and warranties set forth in Article III and the Related Agreements. Notwithstanding anything to the contrary, nothing in this Section 4.7 shall be deemed to constitute a waiver by the Buyer of gross negligence, bad faith or willful misconduct on the part of any Seller or any Seller's Affiliates, Related Parties or Representatives.

Section 4.8 Adequate Assurances Regarding Executory Contracts. The Buyer as of the Closing will be capable of satisfying the conditions contained in sections 365(b)(1)(C) and 365(f) of the Bankruptcy Code with respect to the Assumed Contracts.

Section 4.9 Good Faith Purchaser. The Buyer is a "good faith" purchaser, as such term is used in the Bankruptcy Code and court decisions thereunder. The Buyer is entitled to the protections of section 363(m) of the Bankruptcy Code with respect to all of the Acquired Assets. The Buyer has negotiated and entered into this Agreement in good faith and without collusion or fraud of any kind.

Section 4.10 No Other Representations or Warranties. Except for the representations and warranties contained in this Article IV and the Related Agreements, neither the Buyer nor any other Person makes (and the Sellers are not relying upon) any other express or implied representation or warranty with respect to the Buyer, and the Buyer disclaims any other representations or warranties, whether made by the Buyer, any Affiliate of the Buyer, or any of their respective officers, directors, employees, agents or Representatives. Except for the representations and warranties contained in this Article IV and the Related Agreements, the Buyer (i) expressly disclaims and negates any representation or warranty, express or implied, at common law, by statute or otherwise, 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 the Sellers or their Affiliates or Representatives (including any opinion, information, projection or advice that may have been or may be provided to a Seller by any director, officer, employee, agent, consultant or Representative of the Buyer).

ARTICLE V
PRE-CLOSING COVENANTS

The Parties agree as follows with respect to the period between the execution of this Agreement and the Closing (except as otherwise expressly stated to apply to a different period):

Section 5.1 Certain Efforts; Cooperation. Each of the Parties shall use commercially reasonable best efforts to obtain entry of the Sale Order and to make effective the transactions contemplated by this Agreement on or prior to the End Date, except as otherwise provided in Section 5.2 or as otherwise expressly provided in this Agreement. Without limiting the generality of the foregoing, each of the Parties shall use commercially reasonable best efforts not to take any

action, or permit any of its Subsidiaries to take any action, to materially diminish the ability of any other Party to consummate, or materially delay any other Party's ability to consummate, the transactions contemplated hereby, including taking any action that is intended or would reasonably be expected to result in any of the conditions to any other Party's obligations to consummate the transactions contemplated hereby set forth in Article VII to not be satisfied.

Section 5.2 Notices and Consents. To the extent required by the Bankruptcy Code or the Bankruptcy Court, the Sellers shall give any notices to third parties, and the Sellers shall use commercially reasonable best efforts to obtain any third-party consents or sublicenses, in connection with the matters referred to in Section 5.2 of the Disclosure Schedule.

Section 5.3 Bankruptcy Actions.

(a) The Sellers shall use commercially reasonable best efforts to cause each of the Sale Order and the Assumption Approval to be issued, entered and become a Final Order (it being acknowledged and agreed that, to the extent necessary to comply with the Milestones, the Sellers shall seek expedited or special hearing dates in connection with the sale process), including furnishing affidavits, declarations or other documents or information for filing with the Bankruptcy Court.

(b) The Sellers shall provide appropriate notice of the hearings on the Assumption Approval and Sale Motion, as is required by the Bankruptcy Code and the Bankruptcy Rules to all Persons entitled to notice, including all Persons that have asserted Liens in the Acquired Assets, all parties to Contracts and Leases, all holders of Claims against the Sellers, and all Taxing and environmental authorities in jurisdictions applicable to any Seller. The Sellers shall be responsible for making all appropriate filings relating thereto with the Bankruptcy Court.

(c) On or prior to the date hereof, the Sellers served a cure notice (the "Cure Notice") on all non-debtor counterparties to all Contracts and Leases and provided a copy of the same to the Buyer pursuant to the procedures approved in the Bidding Procedures Order. The Cure Notice informed each recipient that its respective Contract or Lease may be designated by the Buyer as either assumed or rejected, and the timing and procedures relating to such designation, and, to the extent applicable (i) the title of the Contract or Lease, (ii) the name of the counterparty to the Contract or Lease, (iii) the applicable Seller's good-faith estimates of the Cure Amounts required in connection with such Contract or Lease, (iv) the identity of the Buyer, and (v) the deadline by which any such Contract or Lease counterparty may file an objection to the proposed assumption and assignment and/or cure, and the procedures relating thereto.

(d) The Sellers shall comply with the following milestones (each a "Milestone" and collectively, the "Milestones") set forth below:

(i) No later than September 22, 2025, the Sellers shall file with the Bankruptcy Court a notice of cancellation of auction in form and substance acceptable to Buyer; and

(ii) No later than October 13, 2025, the Bankruptcy Court shall have entered the Sale Order.

(e) Without limiting its other obligations under this Agreement, the Sellers shall promptly take such actions as are reasonably requested by the Buyer to assist in obtaining entry of the Sale Order, including furnishing affidavits or other documents or information for filing with the Bankruptcy Court.

(f) Without limiting its other obligations under this Agreement, the Buyer shall promptly take such actions as are reasonably requested by the Sellers to assist in obtaining entry of the Sale Order, including a finding of adequate assurance of future performance by the Buyer, including furnishing affidavits or other documents or information for filing with the Bankruptcy Court.

(g) If an appeal is taken, or petition for certiorari or motion for rehearing or re-argument filed, or a stay pending appeal is requested from the Sale Order, the Sellers will notify the Buyer of such appeal, petition, motion or stay request and the Sellers, with input from the Buyer, will take all reasonable steps to defend against such appeal, petition, motion or stay request.

Section 5.4 **Conduct of Business**. Except as may be (i) required by the Bankruptcy Court, the Bankruptcy Code, or applicable Law, or (ii) agreed to in writing by the Buyer, from the date hereof until the Closing, the Sellers shall:

(a) use commercially reasonable efforts to operate the Business in the Ordinary Course of Business;

(b) use commercial reasonable efforts to preserve the material business relationships with customers, suppliers, distributors and others with whom the Seller deal in the Ordinary Course of Business (including timely payment of post-petition accounts payable, purchasing and maintaining appropriate levels of Inventory, performing all required maintenance and repairs, making capital expenditures and collecting receivables);

(c) pay all administrative claims in the Ordinary Course of Business;

(d) remain current on payment and performance obligations per contract terms with all Key Vendors from the Petition Date through the Closing Date.

(e) maintain in effect all material Permits;

(f) not sell, transfer, lease, sublease, license, abandon, encumber, or otherwise dispose of any Acquired Assets other than (i) immaterial dispositions thereof, (ii) in respect of any debtor-in-possession financing obtained by the Sellers in connection with Sellers' Chapter 11 Cases, or (iii) Inventory sold or disposed of in the Ordinary Course of Business; provided, that in no event shall the Sellers sell or dispose of Inventory in a bulk sale;

(g) not modify, amend, terminate or waive any rights under any Contract that is or could be an Assumed Contract as of the Closing or enter into any Contract (i) that would be material to the Business (other than in the Ordinary Course of Business) or (ii) with any Related Party;

(h) not amend their articles of incorporation, bylaws or other similar organizational documents (whether by merger, consolidation or otherwise) in a manner materially adverse to the Buyer;

(i) not split, combine or reclassify their shares of capital stock or membership interests or declare, set aside or pay any dividend or other distribution (whether in cash, stock or property or any combination thereof) in respect thereof;

(j) not change their methods of accounting, except as required by concurrent changes in GAAP;

(k) not waive or release any material right or claim of the Business (other than any right or claim to the extent relating to any Excluded Assets or Excluded Liabilities), other than in the Ordinary Course of Business or as otherwise provided for in any order entered in the Sellers' Chapter 11 Cases, including concerning debtor-in-possession financing;

(l) not incur or suffer to exist any indebtedness for borrowed money except any such indebtedness that is an Excluded Liability or as otherwise provided for in any order entered in the Sellers' Chapter 11 Cases, including concerning debtor-in-possession financing;

(m) not acquire, by merger or consolidation with, or by purchase of all or a substantial portion of the assets or stock of, or by any other manner, any business or entity, make any investment in any Person or enter into any joint venture, partnership or other similar arrangement for the conduct of the Business;

(n) not implement or announce any employee layoffs, furloughs, reductions-in-force, plant closings, material reductions in compensation or other similar actions, in each case, that could violate the WARN Act;

(o) not hire, engage or terminate any Service Provider with annual compensation in excess of $50,000;

(p) not waive or release any noncompetition, nonsolicitation, nondisclosure or other restrictive covenant obligation of any current or former Service Provider;

(q) not (i) negotiate, modify, extend, terminate or enter into any Collective Bargaining Agreement, or (ii) recognize or certify any union, works council or other labor organization or employee representative as the bargaining representative for any Service Provider; or

(r) not agree in writing to take any of the foregoing actions or support any other Person to take any of the foregoing actions.

Section 5.5 **Notice of Developments**. From the date hereof until the Closing Date, the Sellers shall promptly disclose to the Buyer, on the one hand, and the Buyer shall promptly disclose to the Sellers, on the other hand, in writing after attaining Knowledge of (i) the occurrence or non-occurrence of any event or the existence of any fact or condition that would cause or constitute a breach of any of its representations or warranties had any such representation or warranty been

made as of the time of such Party's discovery of such event, fact or condition and (ii) any material failure on its part to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it hereunder; provided, however, that the delivery of any notice pursuant to this Section 5.5 shall not limit or otherwise affect the remedies available to the Party receiving such notice under this Agreement.

Section 5.6 Access. Upon reasonable advance written request by the Buyer, the Sellers shall permit the Buyer and its Representatives to have reasonable access during normal business hours, and in a manner so as not to interfere unreasonably with the normal business operations of the Sellers, to all premises, properties, personnel, Records, Contracts and Leases related to the Sellers, in each case, for the purposes of evaluating the Business, preparing for and implementing transition arrangements for the Business following the Closing, and consummating the transactions contemplated hereby; provided, however, that, for avoidance of doubt, the foregoing shall not require any Party to waive, or take any action with the effect of waiving, its attorney-client privilege or any confidentiality obligation to which it is bound with respect thereto or take any action in violation of applicable Law.

Section 5.7 Bulk Transfer Laws. The Parties hereby waive compliance with the provisions of any bulk sales, bulk transfer, or similar Laws of any jurisdiction that may otherwise be applicable with respect to the sale of any or all of the Acquired Assets to the Buyer. The Parties intend that pursuant to section 363(f) of the Bankruptcy Code, the transfer of the Acquired Assets shall be free and clear of any Liens other than Permitted Liens in the Acquired Assets to the maximum extent permitted by Law, including any Liens arising out of the bulk transfer Laws, and the Parties shall take such steps as may be necessary or appropriate to so provide in the Sale Order.

Section 5.8 Post-Closing Operation of the Sellers. The Sellers hereby acknowledge and agree that upon the consummation of the transactions contemplated hereby, the Buyer shall have the sole right to the use of the trade names included in the Acquired Assets or similar or other relevant names or any service marks, trademarks, trade names, identifying symbols, logos, emblems or signs containing or comprising the foregoing, including any name or mark confusingly similar thereto (collectively, the "Assumed Trade Names"). After the Closing Date, none of the Sellers nor any of their respective Affiliates shall use the name or mark included in the Acquired Assets or any derivatives thereof or other relevant names or service marks (collectively, the "Assumed Marks"). Within thirty (30) days after the termination of the Transition Services Agreement, the Sellers and their respective controlled Affiliates shall promptly file with the applicable Governmental Entities all documents reasonably necessary to delete from their names the Assumed Trade Names and/or Assumed Marks shall do or cause to be done all other acts, including the payment of any fees required in connection therewith, to cause such documents to become effective as promptly as reasonably practicable. Notwithstanding the foregoing, Sellers shall retain the right to use such Assumed Trade Names/Assume Marks through the date of the Final Decree in the Sellers' Chapter 11 Cases or the closure of the Sellers' bankruptcy case.

Section 5.9 Transfer of Permits. From and after the date hereof, and for up to ninety (90) days after the Closing Date, the Sellers shall reasonably cooperate to transfer to the Buyer as of the Closing Date (or as soon as reasonably practicable thereafter) all Permits included in the Acquired Assets; provided, that the Buyer shall compensate the Sellers for any reasonable, out-of-pocket, non-fixed costs with respect to the foregoing. To the extent that the Buyer has not obtained

all of the Permits included in the Acquired Assets that are necessary for the Buyer to take title to all of the Acquired Assets at the Closing and to operate all aspects of the Business as of immediately following the Closing in the same manner in all material respects as it was operated by the Seller immediately prior to the Closing, the Seller shall, to the extent permitted by applicable Laws, use commercially reasonable efforts to maintain after the Closing such Permits that the Buyer reasonably requests, at the Buyer's sole expense, until the earlier of the time the Buyer has obtained such Permits and ninety (90) days following the Closing (or the remaining term of any such Permit, if shorter).

Section 5.10 Bankruptcy Court Approval. The Buyer and the Sellers acknowledge that, under the Bankruptcy Code, the sale of Acquired Assets is subject to approval of the Bankruptcy Court. The Buyer and the Sellers acknowledge that to obtain such approval, the Sellers must demonstrate that they have taken reasonable steps to obtain the highest or best value possible for the Acquired Assets.

Section 5.11 Public Announcements and Communications. Neither the Buyer, on the one hand, nor the Sellers, on the other hand, shall issue any public report, statement, press release or otherwise make any public statement regarding this Agreement or the transactions contemplated hereby, without the prior written consent of the other Parties, unless otherwise required by applicable Law, in which case such Party shall coordinate and consult with the other Party with respect to the timing, basis, scope and content before issuing any such report, statement or press release; provided, however, that nothing in this Section 5.11 shall (a) delay any required filing or other disclosure with the Bankruptcy Courts, or any other Governmental Entity or otherwise hinder the Sellers' ability to timely comply with all Laws (including the Bankruptcy Code and the WARN Act) or (b) prohibit any public announcement containing information that is otherwise generally available to the public (including as a result of any filing or other disclosure with the Bankruptcy Court, or any other Governmental Entity).

Section 5.12 No Solicitation of Alternative Transactions. The Sellers will not, and will cause their respective Affiliates and Representatives not to, directly or indirectly, initiate, solicit or encourage (including by way of furnishing information or assistance), or continue or enter into negotiations or discussions of any type, or enter into a confidentiality Contract, letter of intent, purchase Contract or other similar Contract with any Person other than the Buyer with respect to an Alternative Transaction. The Sellers will immediately terminate any discussions, negotiations, site visits, or other activities with a third party regarding an Alternative Transaction, and without limiting the foregoing, the Sellers will terminate, within one day of the date hereof, access to the "Project Peach" electronic data room hosted by Datasite or any other data room for each Person other than the Buyer, its Affiliates and their respective Representatives. On or before September 15, 2025, Sellers shall inform all parties known to them who are likely to submit a proposal for an Alternative Transaction that no bids will be solicited or accepted by the Sellers (either on September 19, 2025 or otherwise) and that the auction has been cancelled; provided, however, that Sellers may respond to any unsolicited offer(s) to purchase the Acquired Assets for an amount in excess of the Purchase Price plus the Bidding Protections and, in connection therewith, may perform any and all other acts related thereto, which are required under the Bankruptcy Code or other applicable law, including supplying information relating to the Business or the Acquired Assets requested by any prospective buyers making a topping offer as required by the Debtor in its fiduciary duty.

ARTICLE VI
OTHER COVENANTS

The Parties agree as follows with respect to the period from and after the Closing:

Section 6.1 Cooperation. Each of the Parties shall cooperate with each other and shall use their commercially reasonable efforts to cause their respective Representatives to cooperate with each other, to provide an orderly transition of the Acquired Assets and Assumed Liabilities from the Sellers to the Buyer and to minimize the disruption to the Business resulting from the transactions contemplated hereby. The Sellers shall reasonably (i) provide any information necessary or reasonably requested to allow the Buyer to comply with any information reporting or withholding requirements contained in the IRC or other applicable Laws or to compute the amount of payroll or other employment Taxes due with respect to any payment made in connection with this Agreement; and (ii) provide certificates or forms, and timely execute any Tax Return, that are necessary or appropriate to establish an exemption for (or reduction in) any Transfer Tax.

Section 6.2 Further Assurances. In case at any time from and after the Closing Date any further action is necessary or reasonably required to carry out the purposes of this Agreement, subject to the terms and conditions of this Agreement and the terms and conditions of the Sale Order, at any Party's reasonable request and sole cost and expense, each Party shall take such further action (including the execution and delivery to any other Party of such other reasonable instruments of sale, transfer, conveyance, assignment, assumption or confirmation and providing materials and information) as another Party may reasonably request as shall be necessary to transfer, convey and assign to the Buyer all of the Acquired Assets, to confirm the Buyer's assumption of the Assumed Liabilities and to confirm Sellers' retention of the Excluded Assets and Excluded Liabilities. Without limiting the generality of this Section 6.2, to the extent that either the Buyer or the Sellers discover any additional assets or properties which should have been transferred or assigned to the Buyer as Acquired Assets but were not so transferred or assigned, the Buyer and the Sellers shall cooperate and execute and deliver any instruments of transfer or assignment necessary to transfer and assign such asset or property to the Buyer, and no additional consideration shall be due from the Buyer in connection therewith; provided, that the Buyer shall compensate the Sellers for any reasonable, documented, out-of-pocket, non-fixed costs with respect to the foregoing.

Section 6.3 Availability of Business Records. From and after the Closing Date, the Buyer shall reasonably promptly provide to the Sellers and their respective Representatives (after reasonable notice and during normal business hours and without charge to Seller), at the Sellers' sole cost and expense, reasonable access to all Records included in the Acquired Assets for periods prior to the Closing (as long as such access does not unreasonably interfere with the Buyer's business operations) to the extent such access is necessary in order for any Seller to comply with its obligations to administer Sellers' Chapter 11 Cases or applicable Law or any Contract to which it is a party, and so long as such access is subject to an obligation of confidentiality, and shall preserve such Records until the latest of (i) four (4) years after the Closing Date, (ii) the required retention period for all government contact information, records or documents, (iii) the conclusion of all bankruptcy proceedings relating to the Sellers' Chapter 11 Cases, and (iv) in the case of Records related to Taxes, the expiration of the statute of limitations applicable to such Taxes; provided, however, that, for avoidance of doubt, the foregoing shall not require any Party to waive,

or take any action with the effect of waiving, its attorney-client privilege or any confidentiality obligation to which it is bound with respect thereto or take any action in violation of applicable Law. Such access shall include access to any information in electronic form to the extent reasonably available. The Buyer acknowledge that the Sellers have the right to retain copies of all of Records included in the Acquired Assets for periods prior to the Closing subject to all confidentiality agreements applicable thereto. For a period of five (5) years following the Closing Date or the earlier dissolution of the Seller, prior to destroying any material Records included in the Acquired Assets for periods prior to the Closing, the Buyer shall notify the Sellers thirty (30) days in advance of any such proposed destruction of its intent to destroy such Records, and the Buyer shall permit the Sellers to retain such Records at Sellers' sole cost and expense. With respect to any litigation and claims that are Excluded Liabilities, the Buyer shall render, at the Sellers' expense, all reasonable assistance that the Sellers may request in defending such litigation or claim and shall make reasonable efforts to make the Transferred Employees most knowledgeable about the matter in question available to the Sellers.

Section 6.4 Employee Matters.

(a) The Buyer shall offer employment at its absolute discretion on or prior to the Closing Date to any of the then-active employees of the Business employed by the Sellers and listed in Section 3.9(a) of the Disclosure Schedules (such employees who accept such offers of employment from the Buyer, the "Transferred Employees"). Such offers of employment made by the Buyer shall require a commencement date of employment with the applicable the Buyer on or as soon as practicable after the Closing Date. The Sellers shall have no liability or obligation to (x) any Transferred Employee with respect to their employment with the Buyer after the Closing Date or (y) any such Person who is offered but declines an offer of employment from the Buyer. Nothing in this Agreement shall restrict the rights of the Buyer under applicable Law or any employment contract with respect to any Transferred Employee. Upon execution of this Agreement, the Sellers shall provide the Buyer with reasonable access to its employees for the purpose of allowing the Buyer to negotiate new employment terms, including, without limitation, retention agreements and/or incentive payment plans.

(b) If any Service Provider requires a work visa or work permit for such Service Provider to commence employment with the Buyer as of or after the Closing Date, Sellers shall, in conjunction with the Buyer and at Buyer's sole expense, use reasonable efforts to cause any such visa, permit, pass or other approval to be obtained and in effect prior to the Closing Date.

(c) Notwithstanding anything in this Agreement to the contrary:

(i) Each Seller shall be liable for the base wages or base salary and commissions, bonuses, benefits, or similar compensation that accrued on or prior to the Closing Date with respect to all Service Providers of such Seller (except to the extent the Buyer has expressly assumed any of the same pursuant to Section 2.3; and

(ii) Nothing in this Agreement is intended to (x) prevent the Buyer from terminating the employment of any Transferred Employee on or following the Closing Date (for any reason), or (y) create any third-party beneficiary rights in any Service Provider of any Seller, any beneficiary or dependent thereof, or any collective bargaining agreement representative.

Section 6.5 Transfer Taxes. The Buyer, on the one hand, and the Sellers, on the other hand, shall each pay 50% of all stamp, documentary, registration, transfer, added-value or similar Tax (each, a "Transfer Tax") imposed under any applicable Law in connection with the transactions contemplated by Article II. The Sellers and the Buyer shall cooperate to prepare and timely file any Tax Returns required to be filed in connection with Transfer Taxes described in the immediately preceding sentence.

Section 6.6 Wage Reporting. The Buyer and the Sellers agree to utilize, or cause their respective Affiliates to utilize, the standard procedure set forth in Internal Revenue Service Revenue Procedure 2004-53 with respect to wage reporting.

Section 6.7 Reasonable, Out-of-Pocket, Non-Fixed Costs. With respect to any provision in this Agreement, including Sections 2.6(b), 2.6(h), 6.2, and 6.7, that requires the Buyer to compensate the Sellers for their reasonable, out-of-pocket, non-fixed costs, the Buyer and the Sellers shall each use their commercially reasonable efforts to agree in advance in writing as to such costs pursuant to, among other things, a Transition Services Agreement or an approved budget.

Section 6.8 Post-Closing Payments.

(a) After the Closing: (i) if the Sellers or any of their Affiliates receive any payment in respect of, or that is, an Acquired Asset or is otherwise properly due and owing to the Buyer in accordance with the terms of this Agreement, the Sellers promptly shall remit, or shall cause to be remitted, such amount to the Buyer in accordance with this Agreement and (ii) if the Buyer or any of its Affiliates receive any payment in respect or, or that is, an Excluded Asset or is otherwise properly due and owing to the Sellers or any of their Affiliates in accordance with the terms of this Agreement, the Buyer promptly shall remit, or shall cause to be remitted, such amount to the Sellers in accordance with this Agreement.

(b) As of the Closing Date, the Sellers hereby (i) authorize the Buyer and any Buyer designee to open any and all mail addressed to the Sellers relating to the Business or the Acquired Assets and delivered to the offices of the Business or otherwise to the Buyer or any Buyer designee if received on or after the Closing Date and (ii) appoints the Buyer, any Buyer designee or its attorney-in-fact to endorse, cash and deposit any monies, checks or negotiable instruments received by the Buyer of any Buyer designee after the Closing Date with respect to accounts receivable relating to work performed or products delivered by the Buyer after the Closing made payable or endorsed to the Sellers or the Sellers' order, for the Buyer's or any Buyer designee's own account.

Section 6.9 Certain Covenants.

(a) As a material inducement to the Buyer to enter into and perform its obligations under this Agreement, during the period beginning on the Closing Date and ending on the five-year anniversary of the Closing Date (such period, the "Restricted Period"), each Seller, on behalf of itself and its Affiliates, agrees not to, directly or indirectly, either for itself or for any other Person, own, operate, manage, control, engage in, participate in, invest in, permit its name to be used by, act as consultant or advisor to, render services for (alone or in association with any

Person) or otherwise assist in any manner, any customer or any Person that engages in or owns, invests in, operates, manages or controls any venture or enterprise that directly or indirectly engages or proposes to engage in activities competitive with the Business (as conducted as of the Closing) in the jurisdictions in which the Sellers operate as of the Closing; provided, that the passive ownership of less than 2% of the outstanding stock of any publicly-traded corporation shall not be deemed to be engaging solely by reason thereof in any of its businesses; provided, further, that this Section 6.9(a) will not prohibit (i) engaging in e-commerce sales of any flooring categories, including vinyl, wood, bamboo, carpet, rugs, tile flooring, moldings, installation sundry and related accessories, and any non-flooring category items, so long as such sales are not to Persons known by Seller to be customers of Buyer or its Affiliates or (ii) design, production, or distribution of any non-flooring goods and services. If the final judgment of a court of competent jurisdiction declares that any term or provision of this Section 6.9(a) is invalid or unenforceable, the Parties agree that the court making the determination of invalidity or unenforceability shall have the power to reduce the scope, duration or area of the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Agreement shall be enforceable as so modified.

(b) Each Seller agrees that, during the Restricted Period, it (i) shall not, and shall cause its Affiliates not to, directly or indirectly contact, approach or solicit for the purpose of offering employment to or hiring (whether as an employee, consultant, agent, independent contractor or otherwise) or actually hire any Transferred Employee, without the prior written consent of Parent; provided, that this Section 6.9(b)(i) shall not prohibit a Seller or any of its Affiliates from (x) conducting any general solicitations in a newspaper, trade publication or other periodical or web posting not specifically targeted at any Transferred Employee or (y) participating in job fairs, career fairs or similar recruiting events; and (ii) shall not induce or attempt to induce any customer, supplier or other business relation of the Buyer into any business relationship. The term "indirectly" as used in this Section 6.9 is intended to mean any acts authorized or directed by or on behalf of a Seller or any Person controlled by such Seller.

(c) Each Seller acknowledges and agrees that in the event of a breach or alleged breach by such Seller of any of the provisions of this Section 6.9, monetary damages shall not constitute a sufficient remedy. Consequently, in the event of any such breach or alleged breach, the Buyer or its successors or assigns may, in addition to other rights and remedies existing in their favor, apply to any court of law or equity of competent jurisdiction for specific performance, injunctive relief, or both, or any other equitable remedies available to enforce or prevent any violations of the provisions hereof (including, without limitation, the extension of the Restricted Period by a period equal to (i) the length of the violation of this Section 6.9 plus (ii) the length of any court proceedings necessary to stop such violation), in each case without the requirement of posting a bond or proving actual damages.

(d) Prior to transferring any material portion of the Excluded Assets to a third-party, the Sellers will ensure that such transferee agrees to covenants substantially similar to the covenants contained in this Section 6.9 to which the Buyer is an express third-party beneficiary.

ARTICLE VII
CONDITIONS TO OBLIGATION TO CLOSING

Section 7.1 **Conditions to the Buyer's Obligations**. Subject to Section 7.3, the Buyer's obligation to consummate the transactions contemplated hereby in connection with the Closing are subject to the satisfaction or waiver of the following conditions (any of which may be waived by the Buyer, in whole or in part, in its sole and absolute discretion):

(a) as of the date hereof and as of the Closing (in each case, except for any representation or warranty that is expressly made as of a specified date, in which case as of such specified date), (i) any Fundamental Representation shall be true and correct in all respects, and (ii) any other representations or warranties of the Sellers shall be true and correct in all material respects;

(b) each Seller shall have performed and complied in all material respects with such Seller's covenants and agreements hereunder to the extent required to be performed prior to the Closing;

(c) the Buyer shall have received the items listed in Section 2.8(a);

(d) no Governmental Entity of competent jurisdiction shall have threatened, enacted, issued, promulgated, enforced or entered any Decree that is in effect and that has the effect of making the Closing illegal or otherwise prohibiting the consummation of the Closing;

(e) the Sale Order shall have been entered by the Bankruptcy Court and shall be a Final Order; provided, however, that nothing in this Agreement precludes the Parties from consummating the transactions contemplated by this Agreement if the Sale Order has been entered and has not been stayed and the Buyer, in its sole discretion, waive in writing the condition that the Sale Order be a Final Order;

(f) the Assumption Approval with respect to the Buyer Designated Material Contracts shall have been entered by the Bankruptcy Court and shall be a Final Order; provided, however, that nothing in this Agreement precludes the Parties from consummating the transactions contemplated by this Agreement if the Assumption Approval has been entered and has not been stayed and the Buyer, in its sole discretion, waive in writing the condition that the Assumption Approval be a Final Order;

(g) there must not be in effect any Law or Decree that would prohibit or make illegal the consummation of the transactions contemplated by this Agreement;

(h) from the date of this Agreement until the Closing Date, there shall not have occurred and be continuing any Material Adverse Effect; and

(i) the Sellers shall have delivered a certificate from an authorized officer of the Sellers to the effect that each of the conditions specified in Section 7.1(a), Section 7.1(b) and Section 7.1(h) has been satisfied.

Section 7.2 Conditions to the Sellers' Obligations. Subject to Section 7.3, Sellers' obligation to consummate the transactions contemplated hereby in connection with the Closing are subject to the satisfaction or waiver of the following conditions (any of which may be waived by the Sellers, in whole or in part, in their sole and absolute discretion):

(a) as of the date hereof and as of the Closing (in each case, except for any representation or warranty that is expressly made as of a specified date, in which case as of such specified date), (i) any representation or warranty contained in Section 4.1, Section 4.2 or Section 4.3 shall be true and correct in all material respects, and (ii) any other representation or warranty set forth in Article IV shall be true and correct in all material respects, except where the failure of such representations and warranties referred to in this clause (ii) to be true and correct, individually or in the aggregate with other such failures, would not reasonably be expected to materially prevent, restrict or delay the consummation of the transactions contemplated hereby or by any Related Agreement;

(b) the Buyer shall have performed and complied in all material respects with its covenants and agreements hereunder to the extent required to be performed prior to the Closing;

(c) the Seller shall have received the items listed in Section 2.8(b);

(d) no Governmental Entity of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Decree that is in effect and that has the effect of making the Closing illegal or otherwise prohibiting the consummation of the Closing;

(e) the Sale Order shall have been entered by the Bankruptcy Court and shall be a Final Order; and

(f) the Buyer shall have delivered a certificate from an authorized officer of the Buyer to the effect that each of the conditions specified in Section 7.2(a) and Section 7.2(b) has been satisfied.

Section 7.3 No Frustration of Closing Conditions. Neither the Buyer nor any Seller may rely on the failure of any condition to its obligation to consummate the transactions contemplated hereby set forth in Section 7.1 or Section 7.2, as the case may be, to be satisfied if such failure was caused by such Party's failure to use commercially reasonable best efforts or commercially reasonable efforts, as applicable, with respect to those matters contemplated by the applicable Sections of this Agreement to satisfy the conditions to the consummation of the transactions contemplated hereby or other breach of a representation, warranty or covenant hereunder.

ARTICLE VIII
TERMINATION

Section 8.1 Termination of Agreement.

(a) This Agreement may, by written notice given before the Closing, be terminated:

(i) by mutual written consent of the Buyer and the Sellers;

(ii) by the Buyer (so long as the Buyer is not then in material breach of any of their representations, warranties or covenants contained in this Agreement such that the conditions contained in Section 7.2 would not be satisfied), if there has been a breach of any of the Sellers' representations, warranties or covenants contained in this Agreement which would result in the failure of a condition set forth in Section 7.1 to be satisfied, and which breach has not been cured within ten (10) days after written notice of such breach has been delivered to the Sellers from the Buyer or cannot be cured by the End Date;

(iii) by the Sellers (so long as the Sellers are not then in material breach of any of their representations, warranties or covenants contained in this Agreement such that the conditions contained in Section 7.1 would not be satisfied), if there has been a breach of any of the Buyer's representations, warranties or covenants contained in this Agreement which would result in the failure of a condition set forth in Section 7.2 to be satisfied, and which breach has not been cured within ten (10) days after written notice of such breach has been delivered to the Buyer from the Sellers or cannot be cured by the End Date;

(iv) by either the Buyer or the Sellers, if there is in effect a Final Order restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement; provided, however, that the right to terminate this Agreement under this Section 8.1(a)(iv) will not be available to any Party whose failure to fulfill any covenant or obligation under this Agreement is the cause of or resulted in the action or event described in this Section 8.1(a)(iv) occurring;

(v) by the Buyer if (A) any of the Sellers' Chapter 11 Cases is dismissed or converted into a case under Chapter 7 of the Bankruptcy Code, (B) an examiner with expanded powers or trustee is appointed in any of the Sellers' Chapter 11 Cases, or (C) the Bankruptcy Court enters an Order pursuant to section 362 of the Bankruptcy Code lifting the automatic stay with respect to any material portion of the Acquired Assets and the Sellers are thereafter impaired in their ability to deliver such material portion of Acquired Assets at the Closing;

(vi) by either the Buyer or the Sellers, if the Closing does not occur by the End Date; provided that no Party shall be permitted to terminate this Agreement pursuant to this Section 8.1(a)(vi) if the failure of the Closing to have occurred on or prior to the End Date was caused by the breach of such Party with respect to any obligation or condition of this Agreement;

(vii) by the Buyer, if any Milestone is not timely satisfied in accordance with Section 5.3(d); or

(viii) by the Buyer, if the Bidding Procedures Order (including the Bidding Procedures, except to the extent any modifications are made pursuant to the terms thereof), the Sale Order, or any other Order materially affecting this Agreement is modified in any material respect in a manner adverse to the Buyer without the Consent of the Buyer.

(b) This Agreement shall terminate automatically in the event that (i) the Sellers conduct an auction for the Acquired Assets or the Business notwithstanding the provisions hereof, or (ii) an Alternative Transaction has been consummated following approval by the Bankruptcy Court.

Section 8.2 Effect of Termination. If this Agreement is terminated pursuant to Section 8.1, this Agreement and all rights and obligations of the parties under this Agreement automatically end without Liability against any other Party or its Affiliates, except that Section 2.11 (Deposit Amount), this Article VIII, and Article IX (except for the last two sentences of Section 9.16) shall remain in full force and survive any termination of this Agreement. The Parties agree that if this Agreement is terminated, then (a) the Sellers' receipt of the Cash Deposit Amount and Debt Cancellation Deposit in accordance with this Agreement (when payable pursuant to Section 2.11) and (ii) the Buyer's receipt of the Break Up Fee and Expense Reimbursement (when payable pursuant to Section 8.5) shall be the sole and exclusive remedies of such Party against the other Parties and any of its or their respective Affiliates for any Liability, damage or other loss suffered as a result of any breach of any representation, warranty, covenant or agreement in this Agreement or the failure of the transactions contemplated hereby to be consummated, and upon the payment of such amounts (if due), neither the Buyer nor any of its respective Affiliates shall have any further monetary Liability relating to or arising out of this Agreement or the transactions contemplated by this Agreement.

Section 8.3 Expenses. The Sellers shall pay their own direct and indirect expenses incurred in connection with the preparation and negotiation of this Agreement, all Related Agreements, and the consummation of the transactions contemplated by this Agreement, including all fees and expenses of its advisors and representatives. Except as provided in Section 8.5, the Buyer shall pay its own direct and indirect expenses incurred in connection with the preparation and negotiation of this Agreement and the consummation of the transactions contemplated by this Agreement, including all fees and expenses of its advisors and representatives.

Section 8.4 Acknowledgement. Each of the Parties acknowledges that (i) the agreements contained in this Article VIII are an integral part of the transactions contemplated by this Agreement and (ii) without the agreements contained in this Article VIII, the Parties would not have entered into this Agreement. Except in the event of fraud, in no event shall any Party have any Liability to any other Party or any other Person for any special, incidental, exemplary, indirect, consequential or punitive damages, and except in the event of fraud, any such claim, right or cause of action for any damages that are special, incidental, exemplary, indirect, consequential or punitive is hereby fully waived, released and forever discharged.

Section 8.5 Break-Up Fee and Expense Reimbursement.

(a) In the event that this Agreement is terminated, other than pursuant to Section 8.1(a)(i) or Section 8.1(a)(iii), and an Alternative Transaction is consummated, in consideration for the Buyer having expended considerable time and expense in connection with this Agreement and the negotiation thereof and the identification and quantification of assets of the Sellers, and without the requirement of any notice or demand from the Buyer or any other application to or order of the Bankruptcy Court (other than the Bidding Procedures Order), the Sellers shall be jointly and severally liable for and shall pay (or cause to be paid to) the Buyer (i) the Break Up Fee and (ii) the Expense Reimbursement. In the event the Sellers become obligated under this Agreement to pay any or all of the Break Up Fee or the Expense Reimbursement pursuant to the immediately preceding sentence, such Break-Up Fee and Expense Reimbursement shall be treated as allowed administrative expense claims in the Sellers' Chapter 11 Cases pursuant to sections 503(b) and 507 of the Bankruptcy Code payable, and the Sellers shall pay such amounts,

in immediately available funds to such account or accounts as may be specified in written notice by the Buyer concurrently with (and solely from the proceeds of) the closing of the Alternative Transaction. For the avoidance of doubt, the provision of the administrative expense for the Break Up Fee and the Expense Reimbursement shall only be an obligation of the Sellers' estates if an Alternative Transaction closes.

(b) Each of the Parties further acknowledges that the payment by the Sellers of the Break Up Fee and the Expense Reimbursement is not a penalty, but rather liquidated damages in a reasonable amount that will compensate the Buyer, in the circumstances in which such Break Up Fee and the Expense Reimbursement is payable, for the efforts and resources expended and the opportunities foregone while negotiating this Agreement and in reliance on this Agreement and on the expectation of the consummation of the transactions contemplated by this Agreement, which amount would otherwise be impossible to calculate with precision. The obligation to pay the Break Up Fee and the Expense Reimbursement in accordance with the provisions of this Agreement will (i) be binding upon and enforceable jointly and severally against the Sellers immediately upon execution of this Agreement and approval by the Bankruptcy Court, and (ii) survive the subsequent termination of this Agreement, solely to the extent permitted by applicable Law. The obligation to pay the Break Up Fee and the Expense Reimbursement as and when required under this Agreement, is intended to be, and is, binding upon any successors or assigns of the Sellers.

ARTICLE IX
MISCELLANEOUS

Section 9.1 **Entire Agreement**. This Agreement, the Related Agreements, the Bidding Procedures Order (once entered) and the Sale Order (once entered), including all schedules and exhibits attached to any of the foregoing, and the documents and instruments referred to in this Agreement that are to be delivered at or in connection with the Closing, constitute the entire agreement among the Parties and supersede any prior understandings, agreements or representations (whether written or oral) by or among the Parties, written or oral, with respect to the subject matter hereof and the subject matter of the Related Agreements, including the Initial Agreement and the First A&R Agreement. If the Closing occurs, the First Amended Confidentiality Agreement, dated July 17, 2025, by and between AHF, LLC and WFCI will terminate effective as of the Closing.

Section 9.2 **Incorporation of Annexes, Exhibits and Disclosure Schedule**. The annexes and exhibits to this Agreement and the documents and other information made available in the Disclosure Schedule are incorporated herein by reference and made a part hereof.

Section 9.3 **Amendments and Waivers**. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by each Party. No waiver of any breach of this Agreement shall be construed as an implied amendment or agreement to amend or modify any provision of this Agreement. No waiver by any Party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be valid unless the same shall be in writing and signed by the Party making such waiver, nor shall such waiver be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or

subsequent default, misrepresentation or breach of warranty or covenant. No conditions, course of dealing or performance, understanding or agreement purporting to modify, vary, explain or supplement the terms or conditions of this Agreement shall be binding unless this Agreement is amended or modified in writing pursuant to the first sentence of this Section 9.3 except as expressly provided herein. Except where a specific period for action or inaction is provided herein, no delay on the part of any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof.

Section 9.4 Succession and Assignment. This Agreement binds and benefits the Parties and their respective successors (including any trustee, receiver, receiver-manager, interim receiver or monitor or similar officer appointed in any respect of the Sellers under Chapter 11 or Chapter 7 of the Bankruptcy Code and any entity appointed as a successor to any Seller pursuant to a confirmed chapter 11 plan). No party may delegate any performance of its obligations under this Agreement, except that the Buyer may at any time assign or delegate the performance of its obligations to any Affiliate of the Buyer so long as the Buyer remains responsible for the performance of the delegated obligation. Without limiting the foregoing, the Buyer shall have the right to designate one or more Affiliates, including any special purpose entities that may be organized by or at the direction of the Buyer for such purpose, to take title to the Acquired Assets and assume the Assumed Liabilities at the Closing (or thereafter) or any portion thereof and operate the business going forward, and upon written notice to the Sellers of any such designation by the Buyer, the Sellers agree to execute and deliver all instruments of transfer with respect to the Acquired Assets directly to, and in the name of, the Buyer's assignees. In addition, notwithstanding the foregoing, the Buyer may assign any Indebtedness owed to it by the Sellers to any Affiliate of the Buyer, any other Buyer or any other assignee or designee at any time.

Section 9.5 Notices. All notices, requests, demands, claims and other communications hereunder shall be in writing except as expressly provided herein. Any notice, request, demand, claim or other communication hereunder shall be deemed duly given (i) when delivered personally or by electronic mail to the recipient; (ii) one (1) Business Day after being sent to the recipient by reputable overnight courier service (charges prepaid); or (iii) three (3) Business Days after being mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid, and addressed to the intended recipient as set forth below:

If to the Sellers or any Seller:

Wellmade Floor Coverings International, Inc.
c/o Aurora Management Partners
1201 Peachtree Street, Suite 1570
Atlanta, GA 30361
Attn: David Baker (dbaker@auroramp.com)
Greg Baker (gbaker@auroramp.com)

with a copy (which shall not constitute notice) to:

Greenberg Traurig, LLP
3333 Piedmont Road, NE
Suite 2500

Atlanta, Georgia 30305
Attn: John Elrod and David R. Yates
Email: elrodj@gtlaw.com and david.yates@gtlaw.com

If to the Buyer:

AHF IC, LLC
P.O. Box 566
Mountville, PA 17754
Attn: Timonthy Nieman
Email: timothy.nieman@ahfproducts.com

with a copy (which shall not constitute notice) to:

King & Spalding LLP
1180 Peachtree Street NE
Suite 1600
Atlanta, GA 30309
Attention: W. Austin Jowers and Will Jordan
Email: ajowers@kslaw.com and wjordan@kslaw.com

Any Party may change the physical address or e-mail address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other Party notice in the manner set forth in this Section 9.5.

Section 9.6 Governing Law; Jurisdiction. This Agreement shall in all aspects be governed by and construed in accordance with the internal Laws of the State of Georgia without giving effect to any choice or conflict of laws provisions or rules (whether of the State of Georgia or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of Georgia, and the obligations, rights and remedies of the Parties shall be determined in accordance with such Laws. The Parties agree that any Litigation one Party commences against any other Party pursuant to this Agreement shall be brought exclusively in the Bankruptcy Court; provided that if the Bankruptcy Court is unwilling or unable to hear any such Litigation, then the courts of the State of Georgia, sitting in Fulton County, and the federal courts of the United States of America sitting in the State of Georgia shall have exclusive jurisdiction over such Litigation.

Section 9.7 Consent to Service of Process. In addition to any other method allowed by applicable Law, 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 9.5.

Section 9.8 Waivers of Jury Trial. EACH OF THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT, THE RELATED AGREEMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

Section 9.9 Specific Performance.

(a) Each of the Parties acknowledges and agrees that the other Parties (collectively, the "Enforcing Parties") would be damaged irreparably in the event any provision of this Agreement is not performed in accordance with its specific terms or otherwise breached, so that, prior to the termination of this Agreement pursuant to Section 8.1, in addition to any other remedy that each of the Parties may have under Law or equity, each of the Parties shall be entitled to injunctive relief to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof. Notwithstanding the foregoing, it is acknowledged and agreed that no Seller shall be entitled to specific performance of the Buyer's obligations to consummate the transactions contemplated herein.

(b) Each of the Parties agrees that it shall not oppose the granting of specific performance or an injunction sought in accordance with this Section 9.9 on the basis that the Enforcing Parties have an adequate remedy at law or that any award of specific performance is, for any reason, not an appropriate remedy. The Enforcing Parties shall not be required to provide any bond or other security in connection with any such injunction or other equitable remedy. The End Date shall be tolled from the date any of the Enforcing Parties files a petition seeking specific performance or an injunction under this Section 9.9 until a final, non-appealable decision regarding this matter is obtained from a court of competent jurisdiction.

Section 9.10 Severability. The provisions of this Agreement shall be deemed severable, and the invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provisions of this Agreement. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability in any one jurisdiction affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

Section 9.11 No Third-Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns except such rights as may inure to a successor or permitted assignee or designee under Section 9.4.

Section 9.12 No Survival of Representations, Warranties and Agreements. None of the Parties' representations, warranties, covenants, and other agreements in this Agreement, including any rights of the other Party or any third party arising out of any breach of such representations, warranties, covenants and other agreements, shall survive the Closing, except for (a) those covenants and agreements contained herein that by their terms apply or are to be performed in whole or in part after the Closing, (b) the Parties' representations and warranties relating to such Party's authority with regard to the execution of this Agreement to which it is a party and the consummation of the transactions contemplated hereby and thereby, (c) the Buyer's representations and warranties in connection with the Sellers' Chapter 11 Cases or the Bankruptcy Code, and (d) this Article IX.

Section 9.13 Construction. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of names and pronouns shall include the plural and vice versa. The word "including" and "include" and other words of similar import shall be deemed to be followed by the phrase "without limitation." The words "herein," "hereto," "hereby," and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision of this Agreement. The words "includes" and "including" are not limiting. Unless expressly stated in connection therewith or the context otherwise requires, the phrase "relating to the Business" and other words of similar import shall be deemed to mean "relating to the operation of the Business as conducted as of the date hereof." Except as otherwise provided herein, references to Articles, Sections, clauses, subclauses, subparagraphs, Annexes, Exhibits and the Disclosure Schedule herein are references to Articles, Sections, clauses, subclauses, subparagraphs, Annexes, Exhibits and the Disclosure Schedule of this Agreement. Any reference herein to any Law (or any provision thereof) shall include such Law (or any provision thereof) and any rule or regulation promulgated thereunder, in each case, including any successor thereto, and as it may be amended, modified or supplemented from time to time. Any reference herein to "dollars" or "$" means United States dollars. To the extent not contrary to the foregoing, the rules of construction contained in section 102 of the Bankruptcy Code shall apply. Any option, consent, approval, discretion or similar right of the Buyer set forth in this Agreement or any other Related Agreement may be exercised by the Buyer in its sole, absolute and unreviewable discretion (regardless of whether any or all such words are used in connection therewith), unless the provisions of this Agreement or Related Agreement specifically require another standard for such option, consent, approval, discretion or similar right. The term "made available" and words of similar import mean that the relevant documents, instruments or materials were posted and made available (and not removed) in the "Project Peach" electronic data room hosted by Datasite, in each case, at least one day prior to the date of this Agreement.

Section 9.14 Computation of Time. In computing any period of time prescribed by or allowed with respect to any provision of this Agreement that relates to a Seller's or the Sellers' Chapter 11 Cases, the provisions of Bankruptcy Rule 9006(a) shall apply.

Section 9.15 Mutual Drafting. Each of the Parties has participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

Section 9.16 Disclosure Schedule. All capitalized terms not defined in the Disclosure Schedule shall have the meaning ascribed to them in this Agreement. The representations and warranties of the Sellers in this Agreement are made and given, and the covenants are agreed to, subject to the disclosures and exceptions set forth in the Disclosure Schedule. The Seller Disclosure Schedule is arranged in sections and paragraphs corresponding to the numbered and lettered sections and paragraphs of this Agreement to which it relates. The disclosure in any section or paragraph of the Disclosure Schedule, and those in any amendment or supplement thereto, shall be deemed to relate to and to qualify only the particular representation or warranty set forth in the corresponding numbered or lettered section of this Agreement, except to the extent

that: (a) such information is cross-referenced in another part of the Disclosure Schedule; or (b) it is reasonably apparent on the face of the disclosure (without reference to any document referred to therein or any independent knowledge on the part of the reader regarding the matter disclosed) that such information qualifies another representation or warranty of the Sellers. The listing of any matter shall expressly not be deemed to constitute an admission by any Seller, or to otherwise imply, that any such matter is material, is required to be disclosed under this Agreement or falls within relevant minimum thresholds or materiality standards set forth in this Agreement. No disclosure in the Disclosure Schedule relating to any possible breach or violation of any Contract or law shall be construed as an admission or indication that any such breach or violation exists or has actually occurred. All attachments to the Disclosure Schedule are incorporated by reference into the Disclosure Schedule in which they are directly or indirectly referenced. From the date hereof until five days prior to the hearing scheduled to consider entry of the Sale Order, the Sellers will have the continuing obligation to promptly supplement, modify, or amend the information set forth on the Disclosure Schedules; provided, that any supplements, modifications, or amendments to the Disclosure Schedules following the date hereof will be disregarded for purposes of the closing condition set forth in Section 7.1(a) and will not limit the Buyer's termination rights pursuant to Section 8.1.

Section 9.17 Headings; Table of Contents. The section headings and the table of contents contained in this Agreement and the Disclosure Schedule are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 9.18 Counterparts: Facsimile and Email Signatures. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. This Agreement or any counterpart may be executed and delivered by facsimile or email with scan attachment copies, each of which shall be deemed an original.

Section 9.19 Time of Essence. Time is of the essence of this Agreement.

[SIGNATURE PAGES FOLLOW]

SIGNATURE PAGES TO
SECOND AMENDED AND RESTATED ASSET PURCHASE AGREEMENT

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first above written.

SELLERS:

Wellmade Floor Coverings International, Inc.

By: _____
Name: David Baker (Sep 16, 2025 15:47:53 EDT)
Title: Chief restructuring Officer

Wellmade Industries MFR. N.A LLC

By: _____
Name: David Baker (Sep 16, 2025 15:47:53 EDT)
Title:

BUYER:

AHF IC, LLC

By: _____
Name:
Title:

SIGNATURE PAGES TO
SECOND AMENDED AND RESTATED ASSET PURCHASE AGREEMENT

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first above written.

SELLERS:

Wellmade Floor Coverings International, Inc.

By: _____
Name:
Title:

Wellmade Industries MFR. N.A LLC

By: _____
Name:
Title:

BUYER:

AHF IC, LLC

By: _____
Name: Timothy Nieman
Title: Secretary and General Counsel

EXHIBIT A

Acquired Assets

(a) all Inventory, Furnishings and Equipment (including IT equipment), supplies, machinery, fixtures, tools, vehicles and other tangible personal property;

(b) all assets that are located at or associated with the Leased Real Property, including the Cartersville Plant;

(c) all open orders and customer deposits with respect to open orders;

(d) all Assumed Contracts and Assumed Permits;

(e) all Intellectual Property owned by the Sellers, including all Intellectual Property listed on Section 3.15 of the Disclosure Schedule;

(f) all customer or potential customer lists and files, vendor lists and files, mailing lists, email lists, advertiser lists, databases (including archived databases) and similar material, whether in print or electronic form, including any lists relating to past, present or prospective customers;

(g) all of Sellers' rights under confidentiality or non-disclosure agreements with respect to the Business or the Acquired Assets and with respect to solicitation and hiring of Transferred Employees;

(h) all Specified Avoidance Actions; provided that, for the avoidance of doubt, neither the Buyer nor any Person claiming by, through, or on behalf of the Buyer (including by operation of law, sale, assignment, conveyance or otherwise) shall pursue, prosecute, litigate, institute or commence an action based on, assert, sell, convey, assign or file any claim that relates to the Specified Avoidance Actions, including setoff claims;

(i) all Litigation Claims other than D&O Litigation Claims;

(j) all Prepaid Expenses;

(k) all pending insurance claims and proceeds arising from or relating to claims made prior to the Closing with respect to uncured adverse effects on the Acquired Assets or Assumed Liabilities (for the avoidance of doubt insurance claims with respect to business interruption shall not be considered an Acquired Asset);

(l) to the extent permitted by law, all Records of the Business, including books, records, ledgers, files, reports, plans, documents, manuals, and all customer sales, marketing, advertising, packaging and promotional materials, data, software (including all data and other information whether written, recorded or stored on discs, tapes or other media and including gall computerized data), technical data and all other and all telephone, telex and telephone facsimile numbers and other directory listings, email addresses and domain

names (for the avoidance of doubt, the Acquired Assets shall not include (A) any attorney work product, attorney-client communications and other items protected by attorney-client privilege or (B) books and records relating to Taxes); and

(m) all of the goodwill, customer relationships, going concern value and other intangible assets.

Exhibit B

Assumed Contracts

[Exhibit to be provided by Buyer prior to the Sale Hearing.]