

<p>Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address</p> <p>DAVID SEROR - Bar No. 67488 ROBYN B. SOKOL - Bar No. 159506 SUSAN K. SEFLIN - Bar No. 213865 EZRA BRUTZKUS GUBNER LLP 21650 Oxnard Street, Suite 500 Woodland Hills, CA 91367 Telephone: (818) 827-9000 Facsimile: (818) 827-9099 Email: dseror@ebg-law.com rsokol@ebg-law.com sseflin@ebg-law.com</p> <p><input type="checkbox"/> Individual appearing without attorney <input checked="" type="checkbox"/> Attorney for: Chapter 11 Debtor in Possession</p>	<p>FOR COURT USE ONLY</p>
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**UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA - SANTA ANA DIVISION**

<p>In re:</p> <p>ISC8 INC.,</p> <p style="text-align: right;">Debtor(s).</p>	<p>CASE NO.: 8:14-bk-15750-SC CHAPTER: 11</p> <p style="text-align: center;">NOTICE OF SALE OF ESTATE PROPERTY</p>
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<p>Sale Date: 01/28/2015</p>	<p>Time: 10:00 am</p>
<p>Location: Ezra Brutzkus Gubner LLP, 21650 Oxnard St., Suite 500, Woodland Hills, CA 91367</p>	

Type of Sale: Public Private **Last date to file objections:** 01/15/2015

Description of property to be sold:
 Substantially all of the assets of ISC8 Inc. ("ISC8") free and clear of all claims and interests pursuant to Section 363(f) of the Bankruptcy Code. These assets include proprietary "cyber security" assets designed to thwart cyber invaders after they have infiltrated a system's defenses. More information regarding the company is available on ISC8's website at <http://www.isc8.com/>.

Terms and conditions of sale:
 As is, where is. Property is to be sold free and clear of liens, claims, encumbrances and other interests under Bankruptcy Code Section 363(b), (f) and (m) pursuant to that certain Asset Purchase Agreement ("APA) dated January 5, 2015. The is available free of charge at <http://www.isc8.com/about/bankruptcy.html>. Please see attached Notice of Sale by Auction and Sale Hearing [Doc. #174] ("Sale Notice") for more information.

Proposed sale price: \$ 7,881,941.00 The proposed sale price is \$7,881,941 (including assumption of debt) and the minimum overbid is \$8,251,941.

Overbid procedure (if any): As described in the attached order approving bidding procedures [Doc. #173] (the "Bid Procedures Order"), the sale is subject to overbid with \$8,251,941 as the minimum overbid price. See Bid Procedures Order for more information and see <http://www.isc8.com/about/bankruptcy.html> for sale documents and pleadings.

If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:

Sale Hearing:

January 29, 2015 at 11:00 a.m. in front of the Honorable Scott C. Clarkson

U.S. Bankruptcy Court

Courtroom 5C

411 West Fourth Street

Santa Ana, CA 92701

Contact person for potential bidders (include name, address, telephone, fax and/or email address):

Broadway Advisors, LLC

Attn: Alfred M. Masse, Principal

511 30 St., Suite A

Newport Beach, CA 92663

Direct Dial: (949) 673-0855

Email: amm@broadwayadvisors.com

Date: 01/08/2015

1 **UNITED STATES BANKRUPTCY COURT**
2 **CENTRAL DISTRICT OF CALIFORNIA, SANTA ANA DIVISION**

3 In re:

4 ISC8 INC.,

5 Debtor.

Case No. 8:14-bk-15750-SC

Chapter 11

**NOTICE OF SALE BY AUCTION
AND SALE HEARING**

[LBR 9075-1; 11 U.S.C. §§ 105(a) 363, 365, 503 and 507;
FRBP 2002, 6004, 6006, 9008, and 9014]

Sale Hearing:

Date: January 29, 2015

Time: 11:00 a.m.

Place: Courtroom 5C

411 West Fourth Street

Santa Ana, CA 92701

10 **NOTICE OF SALE BY AUCTION AND SALE HEARING**

11 **PLEASE TAKE NOTICE** that on December 9, 2014, ISC8 Inc. *fka* Irvine Sensors
12 Corporation, the debtor and debtor in possession (the “**Debtor**”), filed its *Emergency Motion for: Entry of (I)*
13 *An Order (A) Approving Bidding Procedures in Connection With Sale of the Debtor’s Assets, (B) Scheduling*
14 *Hearing to Consider the Sale, And (C) Approving Form and Manner of Notice Thereof, And (ii) An Order*
15 *Authorizing and Approving (A) The Sale Of Substantially All of The Debtor’s Assets, And (B) Assumption And*
16 *Assignment Of Executory Contracts And Unexpired Leases* [Doc. # 146] (the “**Bid Procedures Motion**”)
17 with the above-captioned U.S. Bankruptcy Court for the Central District of California, Santa Ana Division
18 (“**Bankruptcy Court**”) seeking entry of an order (a) authorizing and approving bidding and auction
19 procedures in connection with the sale of substantially all of the Debtor’s assets, (b) approving certain bid
20 protections in connection with such sale, (c) approving the form and manner of notice of the sale by auction
21 and sale hearing, (d) approving procedures for the assumption and assignment of contracts and leases and
22 noticing of related cure amounts and (e) scheduling the sale hearing and setting other related dates and
23 deadlines, all as further described in the Bid Procedures Motion. Please note that all capitalized terms used
24 but not defined herein shall have the meanings ascribed to them in the Bid Procedures Motion.

25 **PLEASE TAKE FURTHER NOTICE** that the Debtor has entered into a sale agreement
26 (“**APA**”) with a “Stalking Horse Bidder” and is soliciting overbid offers for the purchase of the Debtor’s
27 assets consistent with the bidding procedures (“**Bidding Procedures**”) approved by the Bankruptcy Court
28 pursuant to its order entered on January 5, 2015 [Doc. #173] (“**Bidding Procedures Order**”). The Bidding
29 Procedures are set forth in the Bidding Procedures Order. **All interested bidders should carefully read the**
30 **Bidding Procedures Order** which is available free of charge at <http://www.isc8.com/about/Bankruptcy.html>
31 or by contacting counsel for the Debtor as follows: Susan K. Seflin, Esq. of Ezra Brutzkus Gubner LLP via e-
32 mail at sseflin@ebg-law.com or via facsimile at 818-827-9099. To the extent that there are any
33 inconsistencies between this Notice and the Bidding Procedures, the latter shall govern in all respects.

34 **PLEASE TAKE FURTHER NOTICE** that if the Debtor receives at least one Qualified Bid
35 within the requirements and time frame specified by the Bidding Procedures, the Debtor will conduct an
36 auction (“**Auction**”) of the Debtor’s assets on **Wednesday, January 28, 2015, commencing at 10:00 a.m.**
37 **(Pacific time)** at the offices of Ezra Brutzkus Gubner LLP, 21650 Oxnard Street, Suite 500, Woodland Hills,
38 CA 91367 (or at any such other location or time as the Debtor may hereafter designate in writing to the
39 Qualified Bidders).

40 **PLEASE TAKE FURTHER NOTICE** that the Debtor will seek approval of the Sale at a
41 hearing scheduled to commence on **January 29, 2015, at 11:00 a.m. (Pacific time)** (the “**Sale Hearing**”)
42 before The Honorable Scott C. Clarkson, United States Bankruptcy Court Judge, at the U.S. Bankruptcy
43 Court for the Central District of California, Santa Ana Division, in Courtroom C, located at 411 West Fourth

1 Street, Santa Ana, CA 92701. The Debtor will file its motion to approve the Sale (the “**Sale Motion**”) with
2 the Bankruptcy Court no later than January 8, 2015. On January 8, 2015, the Sale Motion will be available
3 free of charge on the Internet at <http://www.isc8.com/about/Bankruptcy.html> or by contacting counsel for the
4 Debtor as follows: Susan K. Seflin, Esq. of Ezra Brutzkus Gubner LLP via e-mail at sseflin@ebg-law.com or
5 via facsimile at 818-827-9099.

6 **PLEASE TAKE FURTHER NOTICE** that objections, if any, to the relief requested in the
7 Sale Motion in respect of the Sale, including objections to the assumption and assignment of contracts and
8 leases and/or any proposed cure amounts related thereto, **must**: (i) be in writing; (ii) conform to the
9 applicable provisions of the Bankruptcy Rules and the Local Bankruptcy Rules; (iii) state with particularity
10 the legal and factual bases for the objection and the specific grounds therefor; and (iv) be filed with the
11 Bankruptcy Court no later than **January 15, 2015** (the “**Sale Objection Deadline**”).

12 **CONSEQUENCES OF FAILING TO TIMELY FILE AN OBJECTION**

13 **ANY PARTY WHO FAILS TO TIMELY FILE AN OBJECTION TO THE SALE ON OR BEFORE**
14 **THE SALE OBJECTION DEADLINE SHALL BE FOREVER BARRED FROM ASSERTING ANY**
15 **OBJECTION TO THE SALE, INCLUDING WITH RESPECT TO THE TRANSFER OF PROPERTY**
16 **FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES AND OTHER INTERESTS AND**
17 **THE ASSUMPTION AND ASSIGNMENT OF THE ASSUMED CONTRACTS TO THE**
18 **SUCCESSFUL BIDDER AND ANY CURE AMOUNTS RELATED THERETO.**

19 **NO SUCCESSOR OR TRANSFEREE LIABILITY**

20 The proposed Sale Order may provide that the Purchaser will have no responsibility for, and the assets will be
21 sold free and clear of, any successor liability, including the following, unless otherwise specified in the asset
22 purchase agreement (the “APA”): (a) any liability or other obligation of the Debtor or related to the
23 Purchased Assets or (b) any Claims against the Debtor or any of its predecessors or affiliates. The Purchaser
24 shall have no liability whatsoever with respect to the Debtor’s (or its predecessors’ or affiliates’) respective
25 businesses or operations or any of the Debtor’s (or its predecessors’ or affiliates’) obligations (“Successor or
26 Transferee Liability”) based, in whole or part, directly or indirectly, on any theory of successor or vicarious
27 liability of any kind or character, or based upon any theory of antitrust, environmental, successor or transferee
28 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,
liquidated or unliquidated, including liabilities on account of any taxes arising, accruing or payable under, out
of, in connection with, or in any way relating to the operation of the Purchased Assets prior to the Closing.
Except to the extent expressly included in the Assumed Liabilities with respect to Purchaser, the Purchaser
shall have no liability or obligation under or any foreign, federal, state, local, labor, employment, or
environmental law by virtue of Purchaser’s purchase of the Purchased Assets or assumption of the Assumed
Liabilities.

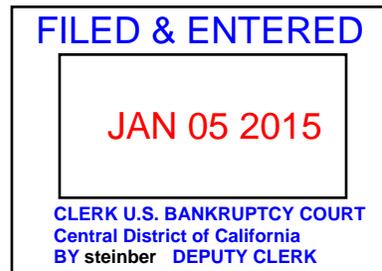
29 **PLEASE TAKE FURTHER NOTICE** that copies of the Bid Procedures Motion, the Bidding
30 Procedures Order, the Sale Motion and the APA are available free of charge (i) on the Internet at
31 <http://www.isc8.com/about/Bankruptcy.html>; (ii) by contacting counsel for the Debtor as follows: Susan K.
32 Seflin, Esq. of Ezra Brutzkus Gubner LLP via e-mail at sseflin@ebg-law.com or via facsimile at 818-827-
33 9099; or (iii) via the Court’s website PACER by visiting <http://www.pacer.gov>.

34 Dated: January 5, 2015

EZRA BRUTZKUS GUBNER LLP

35 By: /s/ Susan K. Seflin
36 Susan K. Seflin
37 Attorneys for Chapter 11 Debtor and
38 Debtor in Possession

1 DAVID SEROR - Bar No. 67488
ROBYN B. SOKOL - Bar No. 159506
2 SUSAN K. SEFLIN - Bar No. 213865
EZRA BRUTZKUS GUBNER LLP
3 21650 Oxnard Street, Suite 500
Woodland Hills, CA 91367
4 Telephone: (818) 827-9000
Facsimile: (818) 827-9099
5 Email: dseror@ebg-law.com
rsokol@ebg-law.com
6 sseflin@ebg-law.com



7 Attorneys for Chapter 11 Debtor and Debtor in Possession

8 **CHANGES MADE BY COURT**
9 **UNITED STATES BANKRUPTCY COURT**
10 **CENTRAL DISTRICT OF CALIFORNIA**
11 **SANTA ANA DIVISION**

12 In re:
13 ISC8 INC.,
14 Debtor.

Case No. 8:14-bk-15750-SC

Chapter 11

ORDER (A) APPROVING BIDDING PROCEDURES IN CONNECTION WITH SALES OF THE DEBTOR'S ASSETS, (B) SCHEDULING HEARING TO CONSIDER SUCH SALE, AND (C) APPROVING FORM AND MANNER OF NOTICE THEREOF

[LBR 9075-1; 11 U.S.C. §§ 105(a) 363, 365, 503 and 507; FRBP 2002, 6004, 6006, 9008, and 9014]

Hearing:

Date: December 11, 2014

Time: 1:30 p.m.

Place: Courtroom 5C
411 West Fourth Street
Santa Ana, CA 92701

24 On December 11, 2014, at 1:30 p.m., a hearing (the "Hearing") was held before the
25 Honorable Scott C. Clarkson, United States Bankruptcy Judge for the Central District of California,
26 for the Court to consider the *Emergency Motion for: Entry of (I) An Order (A) Approving Bidding*
27 *Procedures in Connection With Sale of the Debtor's Assets, (B) Scheduling Hearing to Consider the*
28 *Sale, And (C) Approving Form and Manner of Notice Thereof, And (ii) An Order Authorizing and*

1 *Approving (A) The Sale Of Substantially All of The Debtor's Assets, And (B) Assumption And*
2 *Assignment Of Executory Contracts And Unexpired Leases* [Doc. # 146] (the "Motion") filed by
3 ISC8 Inc., the debtor and debtor in possession in the above-captioned chapter 11 case (the
4 "Debtor").¹ Appearances were made as noted on the record of the Hearing.

5 The Bankruptcy Court having reviewed the Motion; and it appearing that the Bankruptcy
6 Court has jurisdiction over this matter; and it appearing that the Motion is a core proceeding
7 pursuant to 28 U.S.C. § 157(b); and it appearing that venue of this proceeding and the Motion in this
8 District is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and having found that notice of the
9 Motion was adequate and appropriate under the circumstances; and the Bankruptcy Court being
10 satisfied, based on the representations made in the Motion and at the hearing on the Motion, that the
11 legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and
12 any objections to the relief requested in the Motion having been withdrawn or overruled on the
13 merits; having set forth the Court's findings of facts and conclusions of law on the record of the
14 Hearing, and finding good cause appearing therefor,

15 **IT IS HEREBY ORDERED AS FOLLOWS:**²

- 16 1. The Motion is granted as set forth in this Order.
- 17 2. The following dates and deadlines regarding competitive bidding are hereby established
18 (subject to modification if needed):
 - 19 a. **Qualified Bid Deadline:** Sunday, January 25, 2015, at 5:00 p.m. (prevailing
20 Pacific Time), is the deadline by which all binding bids must actually be
21 received pursuant to the Bidding Procedures (the "Qualified Bid Deadline").
22 Bidders must deliver the necessary bid documents required to participate in
23 the Auction pursuant to the Bidding Procedures to Alfred Masse at
24 amm@broadwayadvisors.com, and Susan Seflin at sseflin@ebg-law.com;
 - 25 b. **Auction:** Wednesday, January 28, 2015, commencing at 10:00 a.m.
26 (prevailing Pacific time), is the date and time the Auction will commence at
27 the offices of Ezra Brutzkus Gubner LLP, 21650 Oxnard Street, Suite 500,
28 Woodland Hills, CA 91367 (or at any such other location or time as the
Debtor may hereafter designate in writing to the Qualified Bidders);

¹ Capitalized terms not otherwise defined herein shall have the same meaning ascribed to them in the Motion.

² The findings and conclusions set forth herein constitute the Bankruptcy Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052 made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent that any finding of fact shall later be determined to be a conclusion of law, it shall be so deemed, and vice versa.

1 c. **Sale Objection Deadline:** the deadline to object to the Sale transactions
2 and/or the assumption and assignment of Assumed Contracts or cure amounts
3 related thereto (to the extent a Cure Notice (as defined herein) has been filed
4 with the Bankruptcy Court) shall be January 15, 2015 (the “Sale Objection
5 Deadline”); and

6 d. **Sale Hearing:** Thursday, January 29, 2015, at 11:00 a.m. (prevailing Pacific
7 time), is the date and time of the Sale Hearing before this Bankruptcy Court.

8 3. The assets to be offered for sale, as an entirety (the “Purchased Assets”) consist of
9 substantially all of the estate’s assets (other than Excluded Assets).

10 4. The Debtor has and will continue to provide information regarding the Purchased
11 Assets and the Debtor to potential purchasers.

12 5. The following Bidding Procedures shall govern the submission, receipt and analysis of
13 any bids relating to the sale of the Purchased Assets, and any party desiring to submit a higher or
14 otherwise better offer to purchase the Purchased Assets shall do so strictly in accordance with the
15 terms of the following Bidding Procedures, and potentially modified by the Debtor, following
16 consultation with the Committee, subject to the terms of the APA:

17 a. In order to be a “Qualified Bid,” such bid must: (i) agree to or improve the
18 terms and conditions of the APA, as the terms or consideration to be received by the Seller
19 may be improved, (ii) clearly set forth the consideration paid and be accompanied by
20 evidence demonstrating to the Debtor’s satisfaction proof of financial ability to close,
21 including payment of the Assumed Secured Debt and DIP Financing, (iii) identify the
22 executory contracts and unexpired leases to be assumed and assigned, (iv) be “as is where is”
23 and not conditioned on any contingency, (v) be accompanied by a deposit equal to \$1.2
24 million (approximately 15% of the minimum purchase, see below) (the “Good Faith
25 Deposit”), and (vi) identify the bidder’s organization and include evidence of required
26 authorization.

27 b. The disposition of the Deposit placed by the Stalking Horse Bidder upon
28 executing and delivering the APA, shall be governed by such APA.

c. The Good Faith Deposit of the successful bidder(s) shall, upon consummation
of the successful bid, be credited to the purchase price paid for the Purchased Assets. If any

1 successful bidder fails to consummate the successful bid due to such successful bidder's
2 default, then the Good Faith Deposit of such successful bidder shall be forfeited to, and
3 retained irrevocably by, the Debtor, and the Debtor will retain the right to pursue all available
4 remedies.

5 d. All Good Faith Deposits are to be held by the Debtor's counsel in its client
6 trust account and dispersed in accordance with this Order.

7 e. The Good Faith Deposit of any unsuccessful bidder will be returned within
8 three (3) business days after (i) consummation of the Sale; and (ii) the Auction (except for
9 the back-up bidder(s)'s Good Faith Deposit which shall be applied or returned as specified
10 above).

11 f. In the event no Qualified Bid is received by the Debtor's counsel by the Bid
12 Deadline, then Purchaser shall be deemed to be the successful bidder at the hearing on the
13 Sale Motion.

14 ~~g. Purchaser shall be the "stalking horse" bidder, with a minimum bid deemed to~~
15 ~~be in the amount of \$7,881,941, and Purchaser and Purchaser's Affiliates shall be entitled to~~
16 ~~receive the protections of Section 363(m) of the Bankruptcy Code.~~

17 h. Notwithstanding anything herein to the contrary, the Debtor, after consultation
18 with the Committee, shall have the right to consider bids that do not conform to one or more
19 of the bid requirements provided that such lack of conformity is not material and is not
20 inconsistent with any order of the Bankruptcy Court or the APA.

21 i. In any Auction:

22 i. the amount of any overbids shall be not less than in \$100,000
23 increments;

24 ii. each participating bidder will be required to confirm on the record of
25 the Auction that it has not engaged in any collusion with respect to the
26 bidding or the Sale;

27 iii. the Debtor, in its discretion and in consultation with the Committee,
28 may approve joint bidding that is openly disclosed to the Debtor; and

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iv. the Auction shall be governed by such other procedures as may be announced by the Debtor, in consultation with the Committee, from time to time on the record at the Auction; provided, that any such other Auction Procedures shall not be inconsistent with any order of the Bankruptcy Court or the APA.

j. In the event substantially all of the Purchased Assets are sold to a third party who outbids the Purchaser at Auction for the Purchased Assets, in a transaction that closes and providing the Purchaser is not in material breach of this Agreement, then immediately following such closing, and without the need for further order of the Bankruptcy Court, Seller shall pay in immediately available funds from the net proceeds of such closing, by wire transfer to the account specified by Purchaser in writing, a breakup fee equal to \$270,000 (the "Breakup Fee").

k. If an Auction is conducted, and Purchaser is not the successful bidder at the Auction but is the next highest bidder at the Auction, Purchaser may, solely at the Purchaser's discretion and election, serve as a back-up bidder (the "Back-up Bidder") and keep Purchaser's bid to consummate the Contemplated Transactions on the terms and conditions set forth in the APA (as the same may be improved upon in the Auction) open until the earlier of (i) 5:00 p.m. (prevailing Pacific time) on Friday, February 13, 2015 (the "Outside Back-up Date") or (ii) the date of the consummation of a sale of all or substantially all of the Purchased Assets to a Third-Party. Following the Sale Hearing and prior to the Outside Back-up Date, if the prevailing bidder in the Auction fails to consummate the acquisition of all or substantially all of the Purchased Assets as a result of a breach or failure to perform on the part of such prevailing bidder, the Back-up Bidder (as the next highest bidder at the Auction), if an election is made to be the Back-up Bidder, will be deemed to have the new prevailing bid, and Seller will be authorized, without further order of the Bankruptcy Court, to consummate the Contemplated Transactions on the terms and conditions set forth in this Agreement (as the same may be improved upon in the Auction) with the Purchaser as Back-up Bidder.

1 I. Purchaser (or any successful overbidder) shall provide adequate assurance as
2 required under the Bankruptcy Code of the future performance by Purchaser of each
3 Assumed Contract. Purchaser (or any successful overbidder) agrees that it will, and will
4 cause its Affiliates to, promptly take all actions reasonably required to assist in obtaining a
5 Bankruptcy Court finding that there has been a demonstration of adequate assurance of future
6 performance under the Assumed Contracts, such as furnishing affidavits, financial
7 information and other documents or information for filing with the Bankruptcy Court and
8 making Purchaser's (or any successful overbidder's) Representatives available to testify
9 before the Bankruptcy Court. Subject to the other terms and conditions of the APA,
10 Purchaser (or any successful overbidder) shall, from and after the Closing Date, (i) assume
11 all Liabilities of Seller under the Assumed Contracts and pay all Cure Costs, and (ii) satisfy
12 and perform all of the Liabilities related to each of the Assumed Contracts when the same are
13 due thereunder.

14 6. The Sale Notice, substantially in the form attached as **Exhibit 5** to the Motion, is hereby
15 approved. The Debtor shall file the Sale Notice with the Bankruptcy Court, no later than January 8,
16 2015, and serve the Sale Notice via first-class mail no later than January 5, 2015 or via personal
17 service or overnight mail no later than January 8, 2015.

18 7. The procedures set forth below regarding the assumption and assignment of the
19 Assumed Contracts in connection with the sale are hereby approved (the "Assumption Procedures").
20 These Assumption Procedures shall govern the assumption and assignment of all Assumed Contracts
21 that may be assumed and assigned in connection with a sale of the Purchased Assets:

22 a. Cure Notice. The Cure Notice, substantially in the form attached to the
23 Motion as **Exhibit 6**, is hereby approved. The Debtor shall file with the Bankruptcy Court,
24 no later than January 8, 2015, and serve via overnight delivery, the Cure Notice on all non-
25 Debtor counterparties to the Assumed Contracts and their counsel (if known). The Cure
26 Notice shall (i) identify the Assumed Contracts, (ii) provide the Debtor's good faith estimates
27 of the corresponding cure amounts required to cure all outstanding defaults under the
28 Contracts and Leases (each, a "Cure Amount"), and (iii) include the deadline by which any

1 counterparty to the Contract or Lease may file an objection to the proposed assumption and
2 assignment and/or the Cure Amount proposed with respect thereto, and the procedures
3 relating thereto; *provided, however*, that service of a Cure Notice does not constitute an
4 admission that such Contract or Lease is an executory contract or unexpired lease.

5 b. Adequate Assurance. Upon request and by electronic mail, the Debtor shall
6 serve evidence of adequate assurance of future performance under the Assumed Contracts,
7 provided by the Stalking Horse Bidder or successful bidder(s), including the legal name of
8 the proposed assignee, the proposed assignee's financial ability to perform under the
9 Assumed Contracts and a contact person with the proposed assignee that counterparties may
10 contact if they wish to obtain further information regarding such Stalking Horse Bidder or
11 successful bidder. The Debtor may file with the Bankruptcy Court evidence of adequate
12 assurance of the Stalking Horse Bidders or successful bidder(s) by the commencement of the
13 Sale Hearing.

14 c. Objections. Objections, if any, to the proposed assumption and assignment or
15 the cure amount proposed with respect thereto, must: (i) be in writing; (ii) comply with the
16 applicable provisions of the Bankruptcy Rules, the Local Bankruptcy Rules and any order of
17 this Bankruptcy Court; (iii) state with specificity the nature of the objection and, if the
18 objection pertains to the proposed cure amount, the alleged correct cure amount, together
19 with any applicable and appropriate documentation in support thereof; and (iv) be filed with
20 the Bankruptcy Court by the Sale Objection Deadline (or such later deadline as may be stated
21 in the Cure Notice).

22 d. Dispute Resolution. Any objection to the proposed assumption and
23 assignment of any of the Assumed Contracts or related cure proposed in connection with the
24 Sale that remains unresolved as of the Sale Hearing, shall be heard at the Sale Hearing (or at
25 a later date as fixed by the Bankruptcy Court) with no additional notice of such hearing to be
26 heard.

1 required to be filed or otherwise provided); *provided, however*, that with respect to any
2 Assumed Contract to which such objection pertains solely to the Cure Amount proposed with
3 respect thereto, the Debtor may seek at the Sale Hearing to assume such Assumed Contract
4 and assign it to the successful bidder; provided further, however, that the Debtor or the
5 successful bidder, as applicable, must segregate funds from the net proceeds of the applicable
6 sale equal to undisputed portion of the applicable Cure Amount pending the resolution of
7 such dispute by the Bankruptcy Court or by agreement of the parties, and pay any amount
8 owed promptly to the applicable counterparty upon such resolution.

9
10 **e. Except as otherwise set forth herein or in the Bidding Procedures with**
11 **respect to objections to assignment of the Assumed Contracts to parties other than any**
12 **Stalking Horse Bidder, any party who fails to timely file an objection to its scheduled**
13 **Cure Amount listed on the Cure Notice or to the assumption and assignment of an**
14 **Assumed and Assigned Contract (a) shall be forever barred from objecting thereto,**
15 **including (i) making any demands for additional Cure Amounts or monetary**
16 **compensation on account of any alleged defaults against the Debtor, it's estate, the**
17 **Stalking Horse Bidder(s) or other successful bidder(s) arising from the Auction, if any,**
18 **with respect to any such Assumed Contract and (ii) asserting that the Stalking Horse**
19 **Bidder(s) or other successful bidder(s) has not provided adequate assurance of future**
20 **performance as of the date of the Sale Order and (b) shall be deemed to consent to the**
21 **Sale.**

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23
24 8. The Debtor, after consultation with the Committee, reserves the right to implement
25 additional procedural rules, provided that such lack of conformity is not material and is not
26 inconsistent with any order of the Bankruptcy Court or the APA.

27 9. The Debtor is authorized to execute and deliver all instruments and documents, and take
28 such other action as may be necessary or appropriate to implement and effectuate the transactions

1 contemplated by this Order.

2 10. This Order shall be immediately effective and enforceable upon entry hereof

3 11. The Bankruptcy Court shall retain jurisdiction with respect to any matters, claims,
4 rights or disputes arising from, based upon or related to this Order.

5 **IT IS SO ORDERED.**

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Date: January 5, 2015



Scott C. Clarkson
United States Bankruptcy Judge

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PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
21650 Oxnard St., Suite 500, Woodland Hills, California 91367

A true and correct copy of the foregoing document entitled: **NOTICE OF SALE OF ESTATE PROPERTY** will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On January 8, 2015, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- Jessica L Bagdanov jbagdanov@ebg-law.com, ecf@ebg-law.com
- J Scott Bovitz bovitz@bovitz-spitzer.com
- Christine R Etheridge christine.etheridge@ikonfin.com
- M Douglas Flahaut flahaut.douglas@arentfox.com
- Christopher D Glos christopher.glos@kutakrock.com
- David B Golubchik dbg@lnbyb.com, dbg@ecf.inforuptcy.com;stephanie@lnbyb.com
- Elizabeth A Lossing elizabeth.lossing@usdoj.gov
- Sarah D Moyed moyeds@sec.gov
- Aram Ordubegian ordubegian.aram@arentfox.com
- Leo D Plotkin lplotkin@lsl-la.com, hpetrilli@lsl-la.com;dsmall@lsl-la.com
- Susan K Seflin sseflin@ebg-law.com
- David Seror dseror@ebg-law.com, ecf@ebg-law.com
- Robyn B Sokol ecf@ebg-law.com, rsokol@ebg-law.com
- United States Trustee (SA) ustpreion16.sa.ecf@usdoj.gov

Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On _____, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on January 8, 2015, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

***Via Personal Service: The Honorable Scott C. Clarkson**

Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

01/08/2015
Date

Susan K. Seflin
Printed Name

/s/ Susan K. Seflin
Signature